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Australian Minister on GATT Talks Breakdown

BK0812004890 Hong Kong AFP in English 2132 GMT 7 Dec 90

[Text] Brussels, Dec 7 (AFP)—The breakdown of GATT trade talks gives a "green light to creeping protectionism", Australian Trade Minister Neil Blewett said here Friday. He was addressing journalists after suspension of a General Agreement on Tariffs and Trade (GATT) conference because of an impasse over farm subsidies with the 12 countries of the European Community (EC).

Mr. Blewett said the EC would have to show more flexibility in cutting farm subsidies if the GATT talks are to have any hope of resuming successfully. Speaking on behalf of the Cairns Group of 14 agricultural exporting countries, he said failure to reach agreement on a new trade settlement would "give the green light to creeping protectionism."

"What the failure of the talks proves is that reform in international trade is not possible unless the world is prepared to reform corruption in agricultural trade," he said. This was a reference to EC farm export subsidies. The Cairns Group played a prominent role this week in attacking the EC's farm policies.

All give absolute priority to agricultural reforms, particularly of export subsidies, because subsidised exports from Europe and the United States undercut their own exports, which are vital to their economies.

The leader of the Brazilian delegation, Rubens Ricupero, launched a scathing attack on the EC's proposal to increase import barriers for grain substitutes. "The barriers are negative because they cut access to the EC market, discriminatory because some countries are affected and not others, and dangerous because they undermine GATT principles (of free trade)," he said. Speaking on behalf of developing countries, he said the failure of the GATT trade talks would undercut their efforts to fight inflation, pay off foreign debts and increase growth.

Argentine delegate Felipe Sola said Argentina had demonstrated its willingness to open up its market and was prepared to do much more, but first needed to see if it would get any compensation stemming from GATT reforms.

New Zealand Trade Minister Philip Burdon said export subsidies are a reward for inefficient farmers. He noted that subsidised EC farmers receive 4,000 dollars for a ton of butter, while their unsubsidised New Zealand counterparts receive the market price of 1,300 dollars. "How can you compete against that?" he asked.

ASEAN 'Deeply Disappointed' on GATT Failure

BK0812071490 Jakarta ANTARA in English 0602 GMT 8 Dec 90

[Text] Brussels, Dec 08 (OANA-ANTARA)—Indonesian Trade Minister Arifin Siregar who chaired ASEAN group in the final Uruguay Round trade negotiation here said he was disappointed by the failure of the talks.

The Uruguay Round talks, held within the frame work of GATT from December 3 through 7, failed to reach an agreement on the establisment of a free and open world trade system. The Brussels talks failed but we hope that a GATT talk to be held shortly in Geneva (January or February) would succeed, Siregar said adding that it could also be held in other place. He expected that the future talks would produce an agreement which guaranteed the interest of all GATT members.

The failure of these talks would harm the interest of the developing countries, including Indonesia, the minister added. He said that it could be imagined what would happen if Indonesia could not market its goods. Therefore, Indonesia and other ASEAN countries have since the beginning fought for enhancement of market access.

On the urgency of a wider market access, the minister said that Indonesian textile products face quota and other barriers in entering the European and the United States markets. To remove or reduce the number some of these barriers, a multilateral agreement which regulates a free world trade is needed, Siregar told ANTARA here Friday evening.

Meanwhile, vice chairman of the ASEAN group at the talks Datin Rafidah Aziz —who is also Malaysian trade minister—said that ASEAN had issued a statement on its disappointment over the failure of the final Uruguay Round meeting. ASEAN is deeply disappointed by the failure of the Brussels' talks to reach an agreement, the statement said. However, ASEAN is also aware of the complexity of the problems discussed at the GATT negotiations.

[Words indistinct] groups Indonesia, Malaysia, Brunei Darussalam, the Philippines, Singapore and Thailand—also urged advanced states to exert all strength for the establishment of a free world trade system.

Deploring the failure of the negotiations on the agricultural sector, the statement stressed the importance of a multilateral agreement that has to be achieved in all trade sectors, particularly in market access.

The results of the Uruguay Round in the last four years are important and what have been achieved in the Brussels meeting should be used to make next talks successful. We have to continue what we have achieved in the Brussels meeting and all countries should avoid taking measures that could impede multilateral negotiations, it added.

Developing Nations Sound Off on GATT Talks

OW0812030790 Tokyo KYODO in English 0100 GMT 8 Dec 90

["(News Focus): 'Uruguay Round Deadlock Leaves Small Nations Bitter' by Shiro Yoneyama"—KYODO headline]

[Text] Brussels, Dec. 7 KYODO—Failure to meet the deadline for concluding new global trade agreements at the 107-nation ministerial meeting in Brussels this week prompted bitter criticism from small and developing countries directed at the world's three largest economies—the European Community (EC), the United States, and Japan.

"Can you believe Europeans any more?" New Zealand delegate Jenning Owen bellowed after a stormy session on agriculture at Thursday night's dramatic session of the Uruguay round talks. "I'm feeling depressed. Europe is looking inward," he said, adding that France and Germany are not honoring their commitments made at the Houston economic summit in July to global agricultural reform.

Owen was not alone in criticizing the 12-nation EC for foot-dragging on global farm reform, one of the main objectives of the global trade negotiations, held under the auspices of the General Agreement on Tariffs and Trade (GATT). "The EC has to do something (to break the impasse in agriculture)," Haitian delegate Eli Jean Daniel observed. "They don't want to do it."

The meeting was adjourned after five days of high-level negotiations failed to break the deadlock over agriculture by Friday's deadline for completion of the trade round. Arthur Dunkel, director general of GATT, will try to revive the faltering negotiations on what is the most ambitious ever GATT round through "intensive consultations" between now and the beginning of next year."

In closing the unsuccessful ministerial meeting Friday, Hector Gros Espiell, chairman of the round's trade negotiations committee (TNC), said, "during the period in which Mr. Dunkel is concluding consultations, the TNC may be convened at any time at short notice."

Foreign Minister Gros Espiell of Uruguay, where the round was launched four years ago, said, "we request Mr. Dunkel to reconvene the TNC at the appropriate level to conclude the negotiations at the date he considers appropriate in the light of his consultations."

Resisting calls from many nations to make more concessions on agriculture, the EC, the world's largest market with 320 million people, strongly defended its own position. EC Agriculture Spokesman John Cooney strongly objected to the U.S.-led campaign against the EC's common agricultural policy (CAP), telling reporters at one point that the U.S. was engaged in a "bully boy tactic."

Rebutting the EC criticism, U.S. Agriculture Secretary Clayton Yeutter said at a news conference, "it's the European Community which is out of step."

Japan found itself in a cross fire between the U.S. and the EC, and chose, as it has often done in such a situation, to stay on the sidelines. As a result, the Japanese delegation was caught off guard when Swedish Agriculture Secretary Mats Hellstrom, chairman of the agricultural negotiations group, presented a working paper Thursday which called for a minimum access of "at least 5 percent" in a market for which imports are controlled.

If accepted, this would mean Japan having to open its market to rice imports. Tokyo argues that the import ban is needed to safeguard its own production for reasons of food security, as rice is Japan's staple food.

"We hope Japan becomes a little more flexible to us," said Bambang Kesowo, an Indonesian delegate, echoing the sentiments of other developing countries, particularly those in Asia, toward Japan.

Trade lawyer Alan Wolff, a former U.S. deputy trade representative who was in Brussels as a private-sector adviser to the American delegation, said Japan should be opening its rice market to Thai rice and California rice. It also has high tariffs on forest products, he said.

Another former U.S. trade official, Clyde Prestowitz, questioned the U.S. Delegation's negotiating tactics, which appeared aimed at isolating the EC from the rest of the world on agriculture rather than seeking a compromise. "The U.S. is putting too much emphasis on agriculture," said Prestowitz, who is now president of the Economic Strategy Institute in Washington. A longtime Japan watcher, Prestowitz said Japan can contribute to the successful conclusion of the round in areas like dispute settlement mechanisms, services, intellectual property, dumping, and safeguards. He also said he could foresee a "positive" impact on U.S.-Japan relations if Japan were to agree to start liberalizing its rice market. Prestowitz said the U.S. will keep unilateral trade-opening powers such as the section 301 provision in its trade law which provides for retaliatory action against unfair traders. "Section 301 is not going to be suspended," he added.

Fairly or not, the EC was being depicted as the main villain in the failure of the Brussels meeting to complete the trade round. The EC's refusal to accept the compromise paper as a basis for continued negotiation dashed hopes of a breakthrough in agriculture, the most controversial among the 15 negotiating groups of the round.

The document dealt with internal support and market access as well as export subsidies.

The Cairns group of farm product exporting countries said in a statement, "unfortunately the process collapsed because of the unwillingness of some major participants, particularly the European Community," to use the Hellstrom paper as a basis for negotiation. Referring to the EC, Japan, and South Korea, the group also said, "these countries, among the wealthiest in the world, now need to reflect on their stake in, and responsibilities for, the world trading system."

"We didn't get any specific offer from the EC," said a senior delegate from Argentina, a member of the Cairns group.

Cooney cited several reasons for the EC's rejection of the Hellstrom paper, including its call for 30 percent cuts in border measures and export subsidies and 5 percent minimum access for imports to all markets.

Chief Australian delegate Neal Blewett said failure to successfully conclude the Uruguay round will give the green light to creeping protectionism, particularly in the U.S. and the EC. New Zealand's Owen, president of the Federated Farmers of New Zealand, said small countries like his are worried about a farm trade war between the U.S. and the EC.

As the two elephants fought it out, he said, "the mice would be trampled." He also said, "we have to look to Europe, the United States, Japan, and Korea" because "85 percent of New Zealand's agricultural products are sold abroad.

"Only the Europeans stand in the way," Owen complained. Mentioning French President Francois Mitterrand and German Chancellor Helmut Kohl, he said, "only the heads of state can bring normality and sense to this round."

Japan Delegation Maintains 'Low Profile' at Talks

OW0812025590 Tokyo KYODO in English 0007 GMT 8 Dec 90

["(News Focus): 'Japan Keeps Low Profile in Uruguay Round Row' by Mitsuru Mabuchi—KYODO headline]

[Text] Brussels, Dec. 7 KYODO—Japan sent a huge delegation of 146 government officials to the world trade talks in Brussels this week, but kept a remarkably low profile during the often acrimonious conference.

The meeting adjourned after failing to meet Friday's deadline for completion of the four-year Uruguay Round, held under the auspices of the General Agreement on Tariffs and Trade (GATT).

The only crisis for Japan, according to officials, came during the dramatic move to salvage the meeting late Thursday night, when a compromise document on agricultural trade appeared to have broken an impasse on the issue.

The proposal, submitted to negotiators by Swedish Agriculture Minister Mats Hellstrom, the chairman of the trade round's farm negotiation group, "sent a chill down the spines" of Japanese delegates, informed sources said.

The proposal raised the prospect that Japan would come under pressure to dismantle its barriers to rice imports. So far Japan has sought to justify the ban by arguing the need to protect domestic producers of its staple food on the grounds of "food security."

The army of Japanese officials included 25 from the farm ministry, reflecting Japan's lop-sided interest in rice, virtually the only issue which concerned it in farm trade.

The two-page unofficial document, which was called "non-paper" by the negotiators, included a proposal for the "establishment of a minimum level of access from 1991-1992 representing at least 5 percent of current domestic consumption" of a product whose import is banned.

If that proposal is agreed as a new GATT rule, Japan will be forced to import 500,000 tons of rice a year.

Japanese Agriculture, Forestry, and Fisheries Minister Tomio Yamamoto admitted the "nonpaper" provided the only "crisis" for Japan during the Brussels meeting.

"Japan's problem was not discussed at all, until the paper emerged," he told a press conference after the meeting.

But perhaps fortunately for Japan, it was already too late to salvage the talks through negotiations over the proposal.

Japan sided with the European Community (EC) against the United States and the 14-nation Cairns group in rejecting it.

Many observers believe, however, that the document will have to serve as the basis for the expected resumption of the Uruguay Round negotiations in Geneva in January, since there is at present no alternative.

The Japanese delegation to the Brussels meeting was three times larger than the U.S. team, which comprised 40.

More surprising was the size of the Japanese farm ministry contingent, since trade in agriculture constitutes only one of the 15 areas covered by the round.

The Ministry of International Trade and Industry (MITI), which is concerned with most of the 15 areas, sent 21 officials to the meeting.

And the U.S. deployed only four officials specializing in farm issues to the conference.

The contrasting size of the delegations points to some of the differences between the Japanese and U.S. bureaucracy, one of which is that in Japan Government officials work under finely defined and strictly separated jurisdictions, and seldom if ever try to take on a task outside their own authority.

That tendency makes it quite difficult to construct a well- coordinated strategy for negotiations, and makes any team-work liable to be cumbersome.

Despite its lop-sided interest in rice and the mammoth brigade that it sent to Brussels, Japan kept an almost eerily low profile during the meeting, as if its primary mission was to be ignored and forgotten.

Farm ministry officials hoped the rice issue would not be discussed at all at the meeting, and would be eclipsed by the acrimonious row between the U.S. and the EC.

"There is a good possibility that Mr. Yamamoto will not even have the chance to play his hand at the negotiation table, and I really hope that will be the case," said a top-ranking farm ministry official before the Brussels meeting.

And the events at Heysel Palace, the venue for the five-day ministerial meeting, followed just that course—until Thursday night.

Japanese farm officials were shocked when they read the compromise document, delegation sources said.

U.S. Trade Representative Carla Hills made it clear she intends to reconstruct the farm talks on the basis of the document, calling it a "working paper."

And although EC officials lambasted the paper, they may well soften their stance on some of the points, as indicated by the fact that the EC at one stage offered a concession including a guaranteed 3 percent minimum access to its farm market.

If the hastily typed document becomes the focus of resumed Uruguay Round negotiations in Geneva, Japan will soon find it impossible to keep a low profile as it did in Brussels.

Japan

39 Hostages, Detainees Return From Iraq 9 Dec

OW0912101190 Tokyo KYODO in English 0922 GMT 9 Dec 90

[Text] Tokyo, Dec. 9 KYODO—A group of 39 Japanese trapped in Iraq returned with relatives to Japan on a government-chartered plane on Sunday after a four-month ordeal that followed the Persian Gulf nation's invasion of neighboring Kuwait in early August.

Accompanying the 36 Japanese held hostage as "human shields" at strategic sites and three others denied exit from Baghdad was House of Councillors member Antonio Inoki who helped win their release from Iraqi captivity.

The Japanese group was the first contingent from Iraq since former Prime Minister Yasuhiro Nakasone brought home 74 Japanese detainees on November 8.

The hostages and detainees were greeted by their relatives and officials of the companies for which they work when a Japan Airlines jumbo arrived at the New Tokyo International Airport at Narita Sunday evening. They were transferred to the Japanese plane in Amman, Jordan, from an Iraqi aircraft which carried them from Baghdad on Saturday.

Also arriving home on the same plane were 38 wives, fathers and other relatives of the detainees. They traveled to Iraq together with Inoki, a pro wrestler-turned politician, to seek freedom for the detainees.

There are still 192 Japanese trapped in Iraq and six in Kuwait.

Iraqi authorities have begun to move foreigners from strategic industrial and military facilities to Baghdad following the Iraqi Parliament's approval of President Saddam Husayn's decision to release all such captives on Friday.

Thirty-five of the 78 Japanese hostages have arrived at the Al-Mansur Milliya Hotel in Baghdad as of late Sunday morning to await repatriation, according to the Japanese Embassy in Baghdad. The Japanese Foreign Ministry said the first batch may be released as early as next Wednesday.

Kaifu Pledges Continued Support to Gulf Forces

OW1012140390 Tokyo KYODO in English 1318 GMT 10 Dec 90

[Text] Tokyo, Dec. 10 KYODO—Prime Minister Toshiki Kaifu told the Diet on Monday that Japan will continue to support the multilateral forces in the Persian Gulf even if war breaks out there.

Kaifu said the government will submit another bill which calls for Japan's cooperation with U.N. peacekeeping operations to the ordinary Diet session convened Monday.

The U.N. Peace Cooperation bill which would have allowed the dispatch of nonmilitary personnel of the Self-Defense Forces [SDF] overseas to assist U.N. peacekeeping activities was killed because of objections from opposition parties.

If the bill had been approved, Japan would have been able to send Japanese troops abroad for the first time since the end of World War II.

Kaifu said an alternative bill to the aborted one would be based on agreement between the ruling Liberal Democratic Party and two opposition parties, Komeito and the Democratic Socialist Party.

The three parties agreed last month to draw up a bill to create a corps to assist international peacekeeping operations and said the new corps would not include SDF personnel.

Japan will implement its pledged measures for the settlement of the Gulf crisis as soon as possible, Kaifu said.

The 150-day ordinary session was convened to deliberate the fiscal 1990 supplementary budget, which includes an additional 1 billion dollars in assistance to the U.S.-dominated multinational forces in the Persian Gulf.

The government has so far pledged 4 billion dollars in support to the multinational forces and nations hit by U.N. sanctions against Iraq.

The Diet session will also deliberate wage hikes for public servants and bills related to the supplementary budget.

The Diet is expected to pass the supplementary budget and related bills by December 18 at the earliest as the more powerful House of Representatives is dominated by the LDP.

The ordinary Diet session, which is usually convened in late December every year, was summoned earlier than usual to deliberate the budget and related bills, said government officials.

Finance Minister Ryutaro Hashimoto delivered a budget speech at both the lower house and the House of Councillors to explain the government's supplementary budget totaling 2,281 billion yen.

The speech by Hashimoto will be followed by questions from Diet members of the ruling party and opposition parties Monday afternoon through Tuesday.

The lower house budget committee is scheduled to deliberate the supplementary budget from Wednesday.

Following the expected passing of the supplementary budget and related bills, the Diet session will enter its year-end and new year recess.

The session will resume in late January to deliberate the fiscal 1991 budget, ways of contributing to world peace and political and land reform as well as revision of the 3 percent consumption tax, introduced in April.

Doi Meets Iraqi Envoy, Postpones Baghdad Visit

OW0712130390 Tokyo KYODO in English 1209 GMT 7 Dec 90

[Text] Tokyo, Dec. 7 KYODO—Japan Socialist Party (JSP) Chairwoman Takako Doi on Friday told Iraqi Ambassador to Japan Rashid M.S. al-Rifa'i that she will postpone her planned visit to Baghdad.

The leader of the nation's largest opposition party initially planned to visit Iraq on Friday in a bid to win the release of Japanese nationals detained by Iraqi authorities.

Doi, after the meeting with the ambassador at the Iraqi Embassy, told reporters she wanted to visit Baghdad at an appropriate time in response to an invitation by Iraq's ruling Ba'th Party.

She welcomed Iraq's decision to release all Westerners and Japanese held by Iraq as "human shields" against possible attack by U.S. and other foreign forces in the Persian Gulf region. Doi said that she will make further efforts to contribute to peace in the Middle East.

The Iraqi ambassador criticized Japan's Middle East policy, and said that Japan will not be able to be an ally of Iraq as long as Tokyo follows in the footsteps of the United States, Doi said.

Officials on Paying More Costs for U.S. Forces

OW1012075490 Tokyo KYODO in English 0740 GMT 10 Dec 90

[Text] Tokyo, Dec. 10 KYODO—Japan is considering paying more of the costs of maintaining U.S. forces on Japanese soil from its fiscal 1991 budget starting next April, Defense Agency officials said Monday.

The officials said Shigeru Hatayama, chief of the agency's Defense Policy Bureau, made the remark at a meeting with U.S. Deputy Assistant Secretary of State L. Desaix Anderson and U.S. Deputy Assistant Secretary of Defense Carl W. Ford, Jr.

The Japanese Government is currently paying 440 billion yen a year for the stationing of an estimated 50,000 U.S. troops in Japan.

During the meeting, Hatayama said Japan plans to shoulder new burdens in the fiscal 1991 budget, such as the salaries of Japanese workers in U.S. bases and maintenance costs of U.S. military facilities, agency officials said.

The costs of maintaining U.S. military facilities will include electricity, gas, and water expenses, the officials said.

But Anderson and Ford stressed the need for a broadening of Japanese expenses, they said.

Both sides agreed to hold further working-level talks by around December 20 when the Japanese Government will finalize a new defense program, which will cover a three-five year period from fiscal 1991.

Planned Purchase of U.S. Planes Reported

OW0712122290 Tokyo KYODO in English 1151 GMT 7 Dec 90

[Text] Tokyo, Dec. 7 KYODO—Japan will gradually increase its share of the costs of maintaining U.S. Forces in Japan under the new five-year defense plan starting next April, government sources said Friday.

Japan will also buy four airborne warning and control system (AWACS) planes from the United States during the fiscal years 1991-1995 covered by the new defense program, the sources said.

The cabinet of Prime Minister Toshiki Kaifu will adopt the new defense plan later this month.

The sources said Japan will pay some 90 billion yen more in the period's final year, fiscal 1995 (starting April 1, 1995), than it does currently.

In the fiscal 1990 budget, Japan shouldered 168 billion yen in base maintenance and personnel costs. If land rents, noise prevention and other peripheral costs are included, Japan's payments to the U.S. Forces reached 440 billion yen.

The U.S. Congress has warned of a reduction in the size of the 49,500-strong U.S. Forces in Japan unless the Japanese Government shoulders more of the costs of their deployment.

Japan will soon inform the United States of its plan to take on a larger part of the expenses, the sources said.

Besides its call for a greater Japanese share of the maintenance of U.S. Forces, Washington has urged Japan to purchase AWACS planes, which it says are vital to Japan's defense of its sea lanes.

Japan has committed itself to the defense of sea lanes out to 1,000 nautical miles.

Four AWACS aircraft will cost Japan a total of 120 billion yen. Since the purchase will push up Japan's total defense spending, the government is considering slowing down the growth in purchases of front-line equipment like tanks, destroyers and fighters, government sources said.

Japan's fiscal 1990 defense budget totaled 4,159.3 billion yen, up 6.1 percent from a year earlier.

Official on Holding Trade Talks With U.S.

OW1012140890 Tokyo KYODO in English 1346 GMT 10 Dec 90

[Text] Tokyo, Dec. 10 KYODO—Japan is willing to hold "high-level" bilateral talks with the United States to overcome the impasse in the Uruguay Round of global trade talks, a senior Foreign Ministry official said Monday.

The official, speaking on condition of anonymity, said the bilateral talks would focus on agriculture and 14 other sectors now being discussed under the 107-nation trade negotiations.

But the official said Tokyo has no plans to change its policy that Japan's ban on rice imports must be maintained to ensure self-sufficiency in the country's staple food.

A week of intensive ministerial talks in the Uruguay Round in Brussels ended in failure last week. The conference adjorned due to a dispute between the United States and the European Community over how to reduce farm subsidies.

Protection of its rice market has been Japan's top priority in the world trade talks being held under the auspices of the General Agreement on Tariffs and Trade. There is fear among Japanese officials that the United States might use the bilateral talks to increase pressure on Japan to open its rice market.

Japan is concerned that U.S. rice millers may file a petition with the U.S. Government urging bilateral talks on rice if the GATT talks collapse.

Moscow Cancels Coal Exports Due to Strikes

OW0812094690 Tokyo KYODO in English 0833 GMT 8 Dec 90

[Excerpt] Tokyo, Dec. 8 KYODO—The Soviet Union has cancelled contracts for the export of 60,000 to 70,000 tons of coal to Japan on the grounds that domestic production plunged sharply as a result of walkouts at coal mines, Japanese trading sources reported Saturday.

The sources expressed concern that the cancellations might further aggravate the Soviet economic situation, already suffering from an acute foreign exchange shortage.

The sources close to major Japanese trading houses said the contracts canceled by the Soviet Coal Export and Import Corp. involved shipments to Japan of steaming coal, but imports of coking coal under long-term contracts were excluded from the cuts. [passage omitted]

Kaifu Hails Results of Elections in Poland

OW1012032190 Tokyo KYODO in English 0305 GMT 10 Dec 90

[Text] Tokyo, Dec. 10 KYODO—Prime Minister Toshiki Kaifu on Monday hailed the results of the first democratic presidential election in Poland that projected a landslide victory for Solidarity leader Lech Walesa.

Speaking to reporters at his official residence, Kaifu said, "We hope Walesa will respond to the hopes of the Polish people since this is a reflection of the people's will. We hold high expectations for the new president."

In Sunday's run-off election, preliminary exit polls gave Walesa close to 75 percent of the vote over businessman Stanislaw Tyminski, an emigre who returned to Poland after making his fortune in Canada and Peru. Official results are expected for later Monday.

Japanese Chief Cabinet Secretary Misoji Sakamoto said, "We want to express our warmest congratulations to the first democratically elected (Polish) president of the postwar era."

"We hope this will serve to support other developing democratic nations that are pursuing freedom and democracy," Sakamoto said in Tokyo on Monday.

In Gdansk, where the Solidarity trade union was formed in 1980, Walesa told reporters Sunday evening at his election headquarters he was pleased with the results and reiterated his desire to be a president that serves the people.

Walesa, awarded the Nobel Peace Prize in 1983 for his efforts in spearheading the Solidarity movement, led the strike at Gdansk shipyard that toppled the then Communist government and set in motion the forces that led to the democratic reforms that swept the East European Communist bloc last year.

3d Round Talks With DPRK Set for 15 Dec

OW1012101390 Tokyo KYODO in English 0945 GMT 10 Dec 90

[Text] Tokyo, Dec. 10 KYODO—Japan and North Korea will hold their third round of preparatory talks for eventual formal negotiations on normalization of diplomatic ties on Saturday in Beijing, Foreign Ministry officials said Monday.

Officials said the talks are initially scheduled for one day, but may be extended through Sunday.

The Japanese delegation will be headed by Sakutaro Tanino, director general of the Foreign Ministry's Asian Affairs Bureau.

Tanino's counterpart from Pyongyang will be Chu Ching-kuk, chief of the North Korean Foreign Ministry's First Bureau. Tanino and Chu headed the two previous sessions.

The two sides will attempt once again to work out their differences over the timing, place, level, and agenda of full-scale normalization talks, which could take place in early January, Foreign Ministry sources said.

The North Korean side is expected to press on the issue of compensation for economic losses Pyongyang says had been inflicted as a result of Japan's belated compensation for its 1910-1945 colonial rule over the Korean peninsula.

The two previous preparatory sessions between the Tokyo and Pyongyang governments took place in Beijing on November 3-4 and November 17.

Parties To Invite DPRK Group for Feb Visit

OW0812025290 Tokyo KYODO in English 0102 GMT 8 Dec 90

[Text] Tokyo, Dec. 8 KYODO—The ruling Liberal Democratic Party (LDP) and opposition Japan Socialist Party (JSP) have agreed to invite a delegation of North Korea's Korean Workers' Party to visit Japan next February for political talks, JSP sources said Saturday.

The sources said the LDP and JSP agreed to invite the North Korean Party delegation to be led by Kim Yong-sun, party secretary in charge of international affairs, to visit Japan for about one week starting February 12.

The North Korean party's visit to Japan had been planned from late November through early December but the plan was put off due to their confrontation over the government's aborted U.N. peace cooperation bill.

The Japanese and North Korean parties issued a declaration in Pyongyang late September calling on both governments to normalize relations as soon as possible.

Taiwan Opposition Probing Ties With Politicians

OW1012142690 Tokyo KYODO in English 1332 GMT 10 Dec 90

[Text] Tokyo, Dec. 10 KYODO—Taiwan's opposition party declared it made its first major step toward establishing political ties with Tokyo on Monday at the end of a one-day parley with Japanese opposition politicians and academics.

"For the past 40 years Taiwan has been virtually ignored, but this symposium demonstrates that Japan has a clear interest in the democratization of Taiwan," Chang Chun-hong, secretary-general of the Democratic Progressive Party (DPP), said at the close of a one- day meeting on the future of Taiwan.

He said he planned to pursue further consultations with Japanese politicians.

Hideyuki Seya, a former vice president of the House of Councillors, told the meeting he hoped to break a "taboo" in Tokyo political circles on discussing the future of Taiwan.

"The international community cannot ignore that Taiwan is economically and politically independent," said Seya, a five-term representative of the Japan Socialist Party and one of the meeting's organizers.

"It is unnatural and unrealistic for us to regard Taiwan as a taboo just because of the term 'One China'," he told the audience of over 140.

When Japan established diplomatic ties with Beijing in 1972 it agreed in a communique that Taiwan is part of Mainland China. Taiwan's nationalist Kuomintang (KMT) government, which fled to Taiwan in 1949, also maintains that it is the sole government of China.

The DPP, made legal in 1989, advocates self-determination for the island of 20 million.

Seya, one of two opposition politicians to join the symposium, said in an interview it would have been unthinkable for a JSP politician to participate in such a symposium in the past because of the party's close relations with China.

But he said the bloody Tiananmen crackdown on pro-democracy demonstrators in June last year had shown that Beijing is lagging behind in democratization.

Politicians from the ruling Liberal Democratic Party and Taiwan's KMT turned down invitations to attend the symposium, which was sponsored by a group of six Japanese academics and politicians.

Taiwanese opposition politicians urged Tokyo to take more active interest in its former colony if Japan aspires to play a more influential role in Asia.

"Asia is 30 years behind Europe in forging a harmonious community because of China, and especially Japan," said the DPP's Chang.

Chang said that a lingering inferiority complex toward the West and a superiority complex toward Taiwan have prevented Japan from recovering from its defeat in World War II and playing a leading political role in Asia.

"Japan could use its relations with Taiwan to influence China and Asia, but it is ignoring Taiwan," he said.

DPP adviser Hsu Hsin-liang, recently returned from exile, said that Taiwan, with its booming economy, would play a very important role in helping Japan become a leader in regional economic cooperation.

The participants agreed that changes transforming Europe were likely to occur in Asia, but at a later stage.

Muto on Possibility of 'Compromise' on Rice Ban

OW1012063190 Tokyo KYODO in English 0612 GMT 10 Dec 90

[Text] Tokyo, Dec. 10 KYODO—International Trade and Industry Minister Kabun Muto on Monday indicated the possibility that Japan may make some compromise on the issue of its ban on rice imports to help break the impasse in multilateral trade talks.

"Japan could not play a major role at the talks due to its Achilles' heel, namely agriculture. But I believe the

Ministry of Agriculture, Forestry, and Fisheries may decide to do something about rice, while taking public opinion into account," Muto told a press conference after a cabinet meeting.

He made the remarks amid strong criticism both overseas and at home that Japan was just sitting on its hands at the ministerial meeting of the General Agreement on Tariffs and Trade (GATT), which was due to conclude last week but was adjourned because of the deep gulf between the United States and European Community (EC) over farm trade reforms.

Dismissing growing pessimism over the prospects of the GATT-sponsored Uruguay Round global trade talks, Muto said the suspension should be seen as "neither a success nor failure at present."

Also commenting on the break-off of the talks, Chief Cabinet Secretary Misoji Sakamoto told reporters it was very regrettable that the countries involved failed to reach political agreement over agriculture, the stickiest issue in the Uruguay Round.

He said that Japan is ready to make a major contribution to the success of the four-year talks, which will be resumed early next year.

But on the rice issue, Sakamoto said Japan will not drop its argument of maintaining self-sufficiency in rice, the nation's staple food.

A senior government source said Monday morning no country should be bound by a proposal submitted by the chairman of the GATT's farm negotiating panel.

In a last-ditch attempt to resolve differences over farm trade reforms, Swedish Agriculture Minister Mats Hellstrom put forward a proposal which suggested, among other things, that countries should import at least 5 percent of current domestic consumption of products whose imports are now restricted.

"The proposal is not on paper, nonexistent," the source said.

The source also said Japan sees no necessity to conclude the talks during February, as demanded by Washington.

The U.S. Government is facing a deadline of March 1 to report the results of the trade talks in order for them to be passed by Congress.

Minister Disowns Muto Comments

OW1012143090 Tokyo KYODO in English 1335 GMT 10 Dec 90

[Text] Tokyo, Dec. 10 KYODO—Agriculture Vice Minister Shigeru Motai on Monday disowned comments made the same day by Trade Minister Kabun Muto indicating a possible compromise on the issue of Japan's rice import ban.

Motai, speaking to reporters, expressed his displeasure at Muto's comments and said that the issue is a matter for the Ministry of Agriculture, Forestry and Fisheries, which knows the most about the problem and is considering it "seriously enough."

International Trade and Industry Minister Muto said at his morning press conference that the rice issue is Japan's "Achilles' Heel," and that he believes the Agriculture Ministry may decide to "do something about rice, while taking public opinion into account."

Muto's comments came amid criticism both overseas and at home that Japan contributed little at the Uruguay Round of multilateral trade talks under the auspices of the General Agreement on Tariffs and Trade (GATT), which ended unsuccessfully last week in Brussels.

Motai said the basic reason for the failure of the farm trade talks was a "strong conflict between the United States and the European Community in export competition."

"Japan should decide on its attitude based on further developments of negotiations (between the U.S. and the EC)," Motai said, countering the view emerging among some government officials that Japan should take the initiative in expediting compromise on farm trade reforms.

Ishida Calls for Partial Opening of Rice Market

OW0912080790 Tokyo KYODO in English 0646 GMT 9 Dec 90

[Text] Kofu, Dec. 9 KYODO—The head of Japan's No. 2 opposition party renewed its call for partial liberalization of the rice market on Sunday in the wake of the failure of multilateral trade talks in Brussels last week as a result of an impasse over farm trade.

Komeito Chairman Koshiro Ishida, delivering his speech to an annual meeting of the Komeito Yamanashi prefectural organizations, said opposition to liberalization of rice contradicts Japan's policy of promoting world trade.

Komeito, with 46 of the 512 seats in the House of Representatives, is the only Japanese political party which supports opening the rice market. The Diet passed a resolution to ban imports of rice a total of six times in 1980, 1984 and 1988.

The No. 2 opposition party, which depends less on farmers for its support than the others, recently announced a turnaround in its farm policy into a partial lifting of the rice import ban.

Negotiators failed to reach agreement on trade liberalization at a ministerial meeting of the Uruguay Round under the General Agreement on Tariffs and Trade (GATT) held in Brussels last week because of deadlocked farm trade issues among key GATT members like the United States, the European Community and Japan.

At the five-day meeting, Japan insisted on its basic position that its rice import restrictions are justified on the grounds of "food security" of rice as a staple food for the Japanese.

Swedish Agriculture Minister Mats Hellstrom, who chaired the GATT farm trade panel, presented to the participating members a compromise proposal calling for a 5 percent minimum foreign share in each country's market of all farm products, including rice. Japan imports less than 1 percent of its annual 10 million ton rice market. "A stubborn stance to restrict foreign entry of a 'single grain of rice' is destined to drive Japan into a tight corner in the face of global public opinion," Ishida said.

Diet Convenes 150-Day Ordinary Session 10 Dec

OW1012031690 Tokyo KYODO in English 0142 GMT 10 Dec 90

[Text] Tokyo, Dec. 10 KYODO—The Diet convened a 150-day ordinary session Monday to deliberate the fiscal 1990 supplementary budget including an additional 1 billion dollars in assistance to the U.S.-dominated multinational forces in the Persian Gulf.

The Diet session, scheduled to close on May 8 next year, will also deliberate wage hikes for public servants and bills related to the supplementary budget.

The Diet is expected to pass the supplementary budget and related bills by December 18 at the earliest as the more powerful House of Representatives is dominated by the ruling Liberal Democratic Party (LDP).

The ordinary Diet session was convened earlier than usual to deliberate the budget and related bills, said government officials. The session is usually convened in late December every year.

Finance Minister Ryutaro Hashimoto will make budget speeches in the Lower House and the House of Councillors later in the day to explain the government's supplementary budget totaling 2,281 billion yen.

The budget covers an additional 1 billion dollars in aid to the U.S.-led multinational forces sent to Saudi Arabia after Iraq invaded and occupied neighboring oil-rich Kuwait on August 2. The government has so far pledged 4 billion dollars in support to the forces.

The speech by Hashimoto will follow questions from Diet members of the ruling Liberal Democratic Party and opposition parties Monday afternoon through Tuesday.

The Lower House Budget Committee will deliberate the supplementary budget from Wednesday.

Following the expected passing of the supplementary budget and related bills, the Diet session will enter its year-end and new year recess.

The session will resume in late January to deliberate the fiscal 1991 budget, ways of contributing to world peace and political and land reform as well as revision of the 3 percent consumption tax.

Majima Wins Upper House By-Election in Niigata

OW0912115790 Tokyo KYODO in English 1149 GMT 9 Dec 90

[Text] Niigata, Dec. 9 KYODO—Former Deputy Construction Minister Kazuo Majima, running on the Liberal Democratic Party [LDP] ticket, won the House of Councillors by-election in Niigata Prefecture on Sunday, beating two opposition candidates, according to projections of early election returns.

North Korea

Agreement Reached on N-S High-Level Talks

SK0712131190 Pyongyang Domestic Service in Korean 1200 GMT 7 Dec 90

[Text] Contact of both sides' responsible liaison officials to discuss the date for the 3d round of the North-South High-Level Talks was held in the South side's area in Panmunjom today.

At the contact, our side received a memorandum guaranteeing our delegation's personal security during its stay in Seoul from the South side. And, our side delivered to the South side the list of our side's delegation going to Seoul.

In addition, a final agreement on such working-level questions as the dates of our delegation's stay and procedures for passing through Panmunjom was reached.

And, at the contact, it was agreed that both sides' delegations will watch the North-South joint performance of the traditional concert for reunification and seeing out the year 1990.

Premier Leaves Talks in Seoul

SK1012045190 Pyongyang KCNA in English 0423 GMT 10 Dec 90

[Text] Pyongyang December 10 (KCNA)—The North side's delegation led by Premier of the Administration Council of the Democratic People's Republic of Korea Yon Hyong-muk left here this morning by train to participate in the third round of the North-South High-Level Talks to be held in Seoul.

The second round took place in Pyongyang in October.

The delegation was seen off at Pyongyang Railway Station by Vice-President of the DPRK Pak Song-chol, Vice-Chairman of the Committee for the Peaceful Reunification of the Fatherland Yun Ki-pok and other officials concerned.

It is accompanied by the suite and reporters.

It will pass through Panmunjom and arrive in Seoul Tuesday.

20 Dec Proposed for Next N-S Sports Talks

SK1012105390 Pyongyang KCNA in English 1027 GMT 10 Dec 90

[Text] Pyongyang December 10 (KCNA)—Head of the North side's delegation to the inter-Korean sports talks Kim Hyong-chin today sent a telephone message to Chang Chung-sik, chief delegate of the South side's delegation.

Recalling that the date of the next talks was not designated at the first round of the inter-Korean sports talks which was held on 29 November, the telephone message said:

Forming a single team of the North and South for the 41st World Table Tennis Championship and other major international games is an urgent and essential task which the sportsmen of the North and the South must not fail to fulfill for national unity and the reunification of the country.

In view of the fact that the 41st World Table Tennis Championship is four months off, the two sides must not delay the dialogue but conclude quickly the discussion of the questions on the agenda by all means.

The message proposed again to designate the 20th of December as the date of the second inter-Korean sports talks.

N-S Nonaggression Declaration Demanded

SK1012110390 Pyongyang Domestic Service in Korean 0023 GMT 9 Dec 90

[NODONG SINMUN 9 December commentary: "A Declaration of Nonaggression Should Be Adopted at Once"]

[Text] One of the important issues, which are urgently raised at present for removing the state of political and military confrontation and the danger of war prevailing on the Korean peninsula, guaranteeing peace, and expediting the peaceful reunification of the country, is the adoption of a declaration of nonaggression between the North and the South.

When a declaration of nonaggression has been adopted between the North and the South, mutual security will be reliably guaranteed; peace in the country will be firmly ensured; and a favorable phase for improving North-South relations and achieving independent and peaceful reunification will open.

For this very reason, we have repeated our proposal to the South side that a declaration of nonaggression be adopted and we have brought up this issue at the ongoing North-South High-Level Talks.

On account of the South side's unjust stand and attitude, this pressing North-South declaration of nonaggression for peace in the country and its peaceful reunification has not been adopted.

The unjust act of the South side, which is not sympathetic to the adoption of a North-South declaration of nonaggression, was revealed once again in the course of the second North-South working-level contact for the third round of North-South High-Level Talks.

As already known, at the second round of working-level contact, our side presented a draft North-South declaration of nonaggression to be discussed and adopted at the third round of North-South High-Level Talks. The draft was a very realistic overture which not only conformed to the mission and aim of North-South High-Level Talks, but fully took into account and accommodated even the South side's proposal.

However, the South side persistently tried not to accept our proposal, talking about impossibility in terms of time and saying that it could not agree to adopt a declaration because confidence had not been built between the North and the South.

People remember that the person in the highest authority in South Korea advocated the adoption of a North-South declaration of nonaggression even at a UN General Assembly session and referred to it in his speech celebrating the 15 August anniversary.

It is also known that at the first round of high-level talks, the chief delegate of the South side to North-South High-Level Talks plainly mentioned a need to adopt a declaration of nonaggression and that at the second round of high-level talks, he expressed the stand of examining the North's proposal for nonaggression in a progressive manner and of affirmatively dealing with it at the next round of talks.

With the third round of high-level talks, where the matter of adopting a North-South declaration of nonaggression is to be discussed as an agenda item, near at hand, the act of the South side, which has revoked what it said and has objected to adopting a declaration of nonaggression that way, shows that it is harboring an attempt to shun adopting a nonaggression declaration at any cost.

At the second round of North-South High-Level Talks, the South side persistently failed to accept our side's proposal, which accommodates what it has proposed and even does not include the question concerning the U.S. troops in South Korea and their nuclear weapons—the question which it has claimed to be difficult to accept—under the unreasonable pretext of no authority and procedural difficulties.

At the second working-level contact for the third round of North-South High-Level Talks, the South side came out again with such conditions as impossibilities in terms of time and as confidence-building first and the adoption of a nonaggression declaration next. This cannot be construed otherwise than an act of persistently trying to refuse to adopt a nonaggression declaration also at the third round of North-South High-Level Talks as in the first round of high-level talks.

The South side's allegation that a nonaggression declaration should be adopted after confidence has been built is completely reversed logic and nothing but a sophism aimed at blocking its adoption.

Indeed, a declaration of nonaggression, in which the North and the South firmly commit to not invade the other side with armed force, is a fundamental document which confirms peaceful North-South relations without any threat of aggression and is a peace declaration which removes the root of misunderstanding and distrust between the North and the South and substantially guarantees peace in the country and its peaceful reunification.

Therefore, there can be no firmer or more reliable guarantee for building confidence and peace than the North and the South adopting a declaration of nonaggression at the present stage.

Apart from adopting a nonaggression declaration, it is meaningless to talk about the improvement of North-South relations, the building of confidence, peace in the country, and its reunification.

The South side says that only when the North and the South have built confidence first can it agree to adopt a nonaggression declaration. This being the case, how can misunderstanding and distrust betweem the North and the South be removed and how can trust be built without such a fundamental document for improving North-South relations as a nonaggression declaration?

Is it not obvious that confidence between the North and the South cannot be built under the situation in which the threat of aggression is growing higher and the two sides are leveling guns at each other?

Although it is well aware that confidence cannot be built between the North and the South without adopting a nonaggression declaration, the South side is talking about building confidence first and adopting a nonaggression declaration next. Revealing that it has no intention of doing anything in reality while only seeking propaganda effects with an advertisement about nonaggression, this is nothing but a deliberate act designed to lay an obstacle to solving the problem.

In addition to this, in reality the South side invariably seeks confrontation, division, and war, while paying lip service to dialogue on the improvement of North-South relations, and reunification. If the South side truly wanted peace and reunification, it would not take the attitude of refusal under all types of unjust conditions in connection with our proposal to remove the root of misunderstanding, distrust, and confrontation by adopting a nonaggression declaration. If it had genuinely desired peace, it would not have held a confab to continue to wage the "Team Spirit" joint military exercise against us with the United States behind a curtain of dialogue to augment the U.S. troops in South Korea and to further spur preparations for war.

Even today the South side is rendering the situation of a country strained, building up armed forces and waging war exercises with the United States.

Talking about dialogue and peaceful reunification while threatening the other side with the force of arms is an intolerable act of insulting us, challenging the aspirations of the nation for reunification, and shadowing the future of dialogue.

We cannot overlook the South side's irritation with its partner in dialogue and its continuation of the act of running counter to the nation's aspirations for reunification on the eve of the third round of North-South High-Level Talks.

In view of the international tenor of detente and the warm aspirations of the nation for peace in the country and its peaceful reunification, a North-South declaration of nonaggression must be adopted at an early date.

The truthfulness of words should be expressed through a practical act. The South side should show its will not by only paying lip service to the improvement of North-South relations and progress in dialogue, but by affirmatively responding to our proposal for adopting a nonaggression declaration.

No Tae-u's Political 'Scheming' Denounced

SK0912100890 Pyongyang KCNA in English 0801 GMT 9 Dec 90

[Text] Pyongyang December 9 (KCNA)—The South Korean authorities are scheming to let former dictator Chon Tu-hwan leave the Paekdam Temple on the mountain where he is living in exile, forsaken by the people, according to a radio report from Seoul.

On December 5 former puppet Director of the Security Planning Board Chang Se-tong and former "Minister of Unification Board" Ho Mun-to went to the Paekdam Temple at the instigation of the dictator of the "sixth republic" and were closeted with Chon Tu-hwan over his departure from the temple within this year.

This is a political "rescue operation" of No Tae-u for the former dictator forsaken by the people, which enrages public opinion.

This also shows how hard No Tae-u, tied up with Chon Tu-hwan, is working to protect the dictator of the "fifth republic".

South's Nationality Ruling Called 'Insolent'

SK1012103690 Pyongyang KCNA in English 1000 GMT 10 Dec 90

["Insolent Act Irritating Dialogue Partner"—KCNA headline]

[Text] Pyongyang December 10 (KCNA)—The "Supreme Court" of South Korea recently revised the "rule on the adoption of nationality by residents in the unrestored area and compatriots in Communist countries" and sent it to the "courts". Its keynote is that compatriots in the Communist countries and residents in the unrestored area would be allowed to have the "nationality" of South Korea if they wanted it. Noting that "residents of the unrestored area" mean people of the northern half of the country, NODONG SINMUN today says:

The South Korean authorities talk about "adoption of nationality" regarding the dialogue partner as an "object of conquest." No one can consider this to be a stand and attitude for reunification.

The question of national reunification is not a matter of conquering or being conquered but a matter of reuniting the North and the South which have been divided temporarily by outside force as one nation.

The South Korean authorities, however, remain unchanged in claiming "restoration of the North". Can there be more grave challenge to and mockery of the dialogue partner and the desire of the nation for reunification than this? Their act fully reveals that they do not have the least intention to solve the reunification question through dialogue and negotiation with us but seek to gratify their criminal ambition of "unification by prevailing over communism" by means of vanquishing us in accordance with the anti-socialist strategy of the imperialists.

The South Korean authorities' drivel about "nationality" of "compatriots residing in the Communist countries" is nothing but a crafty trick to split overseas Koreans and alienate them from each other to block them from participating in the movement for national reunification.

Foolish is the attempt of the South Korean authorities to destroy the socialist system to the northern half of the country and expand their system to the North by breathing "liberalization" into it.

The South Korean authorities should wake up from the ridiculous dream of anachronistic "unification by prevailing over communism" and sincerely respond to the dialogue with us.

Pyongyang Musical Troupe Arrives in Seoul

SK0812054690 Pyongyang KCNA in English 0527 GMT 8 Dec 90

[Text] Seoul December 8 (KCNA Correspondent)—The Pyongyang National Musical Troupe arrived in Seoul at 12:10 today to attend the "traditional concert for reunification seeing 1990 out" due in Seoul.

Head of the troupe Song Tong-chun, vice-chairman of the central committee of the Korean Musicians Union, made public a statement at Sheraton Hotel, its lodging place.

He recalled that the current visit to Seoul by the musicians of the North was the second since the visit of the Red Cross Art Troupe in 1985.

On hearing the news that the South Korean authorities walked away the delegates of the South side who had participated in the Berlin tripartite working-level talks for the pan-national alliance for reunification, we had for a while hesitated to make this trip to the South, he said, adding:

We, however, have come here Seoul on the principle of subordinating everything to the accomplishment of the supreme task for national reunification.

The "traditional concert for reunification seeing 1990 out" this time is not a simple stage for exchange between the North and the South but a stage for national reconciliation and unity, he stated.

He expressed the hope that while staying in Seoul, the troupe would meet with musicians of the South to have an open-hearted exchange of views on the successes and experiences gained in the work for the development of national musical art and that people of various strata who are endeavouring for the national reconciliation and reunification, will also be given the chance to see the performance.

Troupe Entertained in Seoul

SK0812152890 Pyongyang KCNA in English 1508 GMT 8 Dec 90

[Text] Seoul December 8 (KCNA correspondent)—The South Korean "minister of culture" today gave a dinner for the Pyongyang National Musical Troupe.

Invited there were the members of the Pyongyang National Musical Troupe headed by Song Tong-chun, vice-chairman of the Central Committee of the Korean Musicians Union.

Present on the South side were personages concerned in the "traditional concert for reunification seeing 1990 out". Head of the North side's troupe Song Tong-chun spoke at the dinner.

Saying what is valuable and urgent, above all, for the musicians of our nation who are suffering from the territorial division is to live in the bosom of a reunified country, he continued:

Without a reunified country the national music loved by us cannot be brought into fuller bloom and there will be no hope for the future to ournational musicians.

The stage of the "traditional concert for reunification seeing 1990 out" on which the national musicians of the North and the South will perform jointly, he noted, should be made a significant reunification music festival stage to bring earlier the day of reunification in the 90s together with the 70 million fellow countrymen.

If the musicians of the North and the South sing the song of reunification in chorus on a stage in Seoul, it will, no doubt, thaw the frozen hearts of the fellow countrymen and give new strength and hope to the fellow countrymen who have turned out in the grand march toward reunification, he stressed. In conclusion, he recalled that the newspaper "CHUNGANG ILBO" in Seoul today carried an article slandering our glorious revolutionary tradition and our system, adding: It is hardly understandable why they are behaving in such a manner after inviting us to the "traditional concert for reunification seeing 1990 out" arranged with much difficulties.

He made it clear that the behaviour of "CHUNGANG ILBO" is something intolerable and demanded that its chief editor personally come to meet the troupe and apologize for this and carry in his paper an article rectifying this misrepresented story.

KCNA Reports Performances

SK1012065790 Pyongyang KCNA in English 0508 GMT 10 Dec 90

[Text] Seoul December 9 (KCNA correspondent)—The "Traditional Concert for Reunification Seeing 1990 Out" raised its curtain Sunday at the arts centre in Seoul with a joint performance of the Pyongyang national musical troupe and the South side's "Traditional Musical Group for Reunification Seeing 1990 Out".

Present to see the performance on the South side were incumbent "ministers" including the "Minister of Unification Board", president of the Party for Peace and Democracy Kim Tae-chung, vice-president of the party Mun Tong-hwan who is younger brother of Rev. Mun Ik-hwan, "co-leader of the Democratic Liberal Party" Pak Tae-chun, former "speaker of the National Assembly" Kim Chae-sun, ruling and opposition "assemblymen", political and public figures and men of culture and art and the press as well as Seoul citizens of all walks of life, more than 2,600 all told.

The performance was also seen by the head of the Pyongyang national musical troupe Song Tong-chun, vice-chairman of the Central Committee of the Korean Musicians Union, and his party.

The performance was divided into two parts.

The South side's traditional musical group performed the program of the first part. It put on the stage songs sung in the palace in the past, a Komungo solo, a folk group singing and a Kayagum concert, etc.

Before the curtain rose for the second part, Paek Sun-hui, a female singer of the Pyongyang national musical troupe gave an address.

She conveyed to the audience the ardent desire of the Pyongyang citizens and brothers and sisters in the north for reunification and extended warm compatriotic greetings of kinship to the Seoul citizens and all the fellow countrymen in the South.

Noting that 1990 was a significant year in which the fervor for reunification sweeping the three thousand-ri land violently shook the hearts of the 70 million fellow countrymen, she recalled that Korean artistes in the North and the South and overseas gathered in Pyongyang in October this year for the first time in the 45 years of division of the country and raised the curtain of the pan-national concert for reunification.

Even grey-haired singers of the North came to the stage of Seoul here, crossing the military demarcation line, with the ardent desire for reunification, in order to bring earlier the day of reunification, she said.

At the performance of the second part which began with the women's quintet "serial folk songs" our musicians put on the stage the female solo of folk song "Yang-sando", the female trio of folk song "Singosan Taryong", the male folk song solo "Song of Mountains and Rivers", the female folk song solo "Song of Pyongbuk Yongbyon", the mixed folk song quintet "Hoeyang Nilliri," the Ongnykum solo "Toraji", the female alto solo "Road to Reunification" and other traditional songs rich in national flavor which our fellow countrymen composed together and have sung together for five thousand years and are singing together in the North, the South and overseas.

The performance was acclaimed by the audience.

The hour of performance was lengthened far longer than the schedule at the unanimous request of the audience.

All the artistes of the North and South turned out and decorated the last scene with a chorus of the song "Our Wish is Reunification".

The second joint performance of our Pyongyang national musical troupe and the South side's traditional musical group will be given at the "state theatre" in Seoul on the evening of December 10.

CHUNGANG ILBO's 'Slander' Assailed

SK0912020990 Pyongyang Domestic Service in Korean 2200 GMT 8 Dec 90

[Text] Our Pyongyang National Musical Troupe arrived in Seoul yesterday at the invitation of the South side's Promotion Committee for the Traditional Concert for Reunification Seeing 1990 Out. The compatriots of the South and people from all social strata in Seoul warmly welcomed our national musical troupe, greeting it as a reunification mission sent by the people of the North.

They did so because they wished the traditional concert for reunification seeing 1990 out to become a grand festival for national reunification rather than a mere stage for exchange between the North and the South.

However, the South authorities have not been pleased with the traditional concert for reunification seeing 1990 out from the beginning. They prevented the South compatriots from coming to the area between Munsan and the entrance to Seoul where our national musical troupe passed by car. The South authorities even made their flunkies carry an article attacking us in the Seoul newspaper CHUNGANG ILBO. Even more intolerable is the fact that they dared to slander our system in these articles.

This is not the first time that the South authorities perpetrated a provocative act like this after inviting us. They did so when the North delegation to the North-South High-Level Talks arrived in Seoul last September, and when they invited our soccer players last October.

The South authorities' treatment of their guests far exceeds wickedness. The artistes and the people of the northern half of the Republic will never tolerate those who slander our chuche socialist system, whoever they may be. What the South authorities' intention was in making the paper carry the provocative article as soon as our artistes arrived in Seoul is clear. They are attempting to block the way to dialogue, which is provided by our sincere efforts, and to repress the South Korean people's enthusiasm for reunification, which is growing stronger than ever in the nineties. For this very purpose, they are engaged in impure acts of provoking us to the maximum degree.

However, the South authorities should clearly know that these wicked provocative maneuvers will enrage the South people and make their position even more difficult.

Kim Il-song Speech on Reunification Published

SK0812044890 Pyongyang KCNA in English 0428 GMT 8 Dec 90

[Text] Pyongyang December 8 (KCNA)—The Workers' Party of Korea Publishing House brought out in booklet "Let Us Accelerate National Reunification Through Unity of the Whole Nation", a speech delivered by the great leader President Kim Il-song before the delegates to the pan-national rally on August 18, 1990.

In the work, President Kim Il-song pointed out that the pan-national rally which was held in the first year of the 1990s was a historical gathering worthy of special record in the history of our people's struggle for the reunification of the country together with the joint conference of representatives of the political parties and social organisations in the North and the South in 1948.

Noting that our nation was divided by outside forces and has failed to achieve reunification owing to their moves, he stressed that the Korean people should no longer prolong the tragedy of national split but accomplish the cause of national reunification at an early date.

Although not a few obstacles and difficulties lie in the way of national reunification owing to the obstructive moves of the separatists at home and abroad, the country will certainly be reunified, and the whole nation should turn out vigorously in the struggle for the reunification of the country, he said.

For the reunification of the country, the three principles of national reunification should be strictly observed, he stated, adding: They are a common reunification programme of the nation which was jointly agreed upon and announced at home and abroad by the North and the South.

Noting that patterns of others should not be copied to solve the issue of national reunification, he said that the way of solving it our own way in keeping with the requirements of our nation and with the specific conditions of our country is precisely to found the democratic confederal republic of Koryo on the basis of the three principles of national reunification. He comprehensively proved the justness of the proposal for reunification through confederation and the external policy of a unified state based on confederation.

He further said:

For the reunification of the country it is imperative to check and frustrate the "two Koreas" plot of the separatists and for the whole nation to form a broad united front and struggle in firm unity.

All the Korean people who want independence and reunification should unite under the banner of great national unity and render service to the cause of national reunification, those who have strength devoting it, those who have knowledge offering it, and those who have money donating it.

If compatriots overseas are to contribute to the cause of national reunification, they should not lose the spirit of the Korean but know well about their country, he said, and stressed:

They should actively fight in defence of the socialist homeland of chuche and to accelerate the independent and peaceful reunification of the country.

Japanese Group Demands Early Development of Ties

SK0912095890 Pyongyang KCNA in English 0804 GMT 9 Dec 90

[Text] Pyongyang December 9 (KCNA)—A rally demanding an early establishment of diplomatic relations between Japan and the DPRK was held in Kyoto on November 30, according to a KNS report from Tokyo.

Speeches were made at the rally.

Then, Hajime Fukada, director of the People's Movement of the Japan Socialist Party and member of the House of Councillors, gave a lecture.

Referring to how the issue of the relations between Japan and the DPRK was put on the order of the day, he said: This is a reflection of the development of the long traditional relations of friendship between the Workers' Party of Korea and the Japan Socialist Party and of the desires of the two peoples for the normalisation of relations and this is a requirement of the times which no one can check.

He called for an earlier realisation of the normalisation of relations between the two countries through a dynamic movement of the two peoples.

The rally adopted a letter of request to the Japanese Government demanding prompt establishment of diplomatic relations.

Chongnyon Leader Meets Pomminnyon Leader

SK0812042290 Pyongyang KCNA in English 0408 GMT 8 Dec 90

[Text] Tokyo December 6 (KNS-KCNA)—Han Tok-su, chairman of the central standing committee of the General Association of Korean Residents in Japan (Chongnyon), met with Im Min-sik, chief secretary of the Pan-National Alliance for Reunification (Pomminnyon), who visited the Korean House in Tokyo on Dec. 3.

Han Tok-su expressed support to his activities for national reunification, saying they should strive together for reunification in the future.

Im Min-sik said that all the compatriots at home and abroad would more actively strive to achieve national reunification at any cost by pooling their efforts.

KCNA Reviews 10 Dec NODONG SINMUN

SK1012084290 Pyongyang KCNA in English 0452 GMT 10 Dec 90

[Text] Pyongyang December 10 (KCNA)—NODONG SINMUN today tells a story that the great leader President Kim Il-song made the popular masses genuine masters of society and made everything of the society serve the people.

The daily gives an account of meetings of working people continuously held in different parts of the country to carry through the recent teachings of President Kim Il-song.

A seminar on the work of dear Comrade Kim Chong-il "The Workers' Party of Korea organizes and guides all the victories of our people" was held at the Group for the Study of the Chuche Idea of the Morogoro leather factory of Tanzania, according to the daily.

The daily conveys words of overseas compatriots expressing ardent reverence for president Kim Il-song and Comrade Kim Chong- il.

The daily carries a message of greetings sent by the Central Committee of the Workers' Party of Korea to the second symposium of the parties of the developing countries on the experience of party building and a final declaration adopted at the symposium. An account of the symposium which was held in Tanzania is given in the daily.

The daily editorially calls for actively pushing ahead with the construction of the Sariwon potassic fertilizer complex.

Econews of the daily includes a report that the work of spreading humus soil over the maize fields is being hastened on cooperative farms across the country.

The daily informs the readers that a seminar on observation and prevention of industrial pollution was held in Pyongyang.

The Pyongyang National Musical Troupe and South side's traditional musical group gave a joint premiere in Seoul, according to the paper.

South Korean news of the daily includes reports that HANGYORE SINMUN carried an article written by three daughters of Yi Hae-hak, executive chairman of the South side's promotion headquarters for the pan-national rally, who had participated in the Berlin tripartite working-level talks over the Pan-National Alliance for Reunification and that peasants resolutely oppose the "Uruguay Round".

Commenting on the fact that the South Korean newspaper CHUNGANG ILBO carried a serial and an article groundlessly distorting and slandering the glorious revolutionary traditions of our party and flinging mud at our system, the paper says this is a deliberate and premeditated provocation to impair the dignity and authority of our party and Republic.

The paper carries a commentary condemning the South Korean authorities for revising the "rule on the adoption of nationality by residents in the unrestored area and compatriots in Communist countries" and submitting it to the "court".

An article of the paper stresses that the North and the South should enter the United Nations with a single seat in favor of reunification.

Echoed in the paper are voices of foreign public and academic figures praising the Korean people who enjoy a most proud and happy life.

Included in the foreign news of the paper are reports that the Algerian president called for a peaceful solution to the Gulf crisis, the general secretary of the Organisation of Islamic Conference appealed to the U.N. Security

Council to guarantee international protection for Palestinians, the African National Congress South Africa condemned the racist authorities for instigating ethnical disputes, the Cameroonian president elaborated on the question of development of the country, the Namibian president outlined tasks of domestic broadcasting and the U.S. imperialists are trying to maintain their air base in the Philippines.

The paper introduces the rapid development of public health in Tibet Autonomy, China.

Explaining about the recent situation in Peru, the paper says the people of this country expect that the new government will contribute to tiding over the difficulties created in the country and achieving national unity and the development of the country.

Worker's Party Leaders Attend Provincial Rallies

SK0912123990 Pyongyang Domestic Service in Korean 2100 GMT 7 Dec 90

[Excerpts] [Passage omitted] Amid the flames of struggle to increase agricultural production by improving fertilization, which is being enhanced with each passing day, rallies by workers to thoroughly implement the recent teaching of the great leader Comrade Kim Il-song are being held in various places.

At the rally by the workers of South Pyongan Province, Comrade So Yun-sok, member of the Political Bureau of the Central Committee of the Workers Party of Korea, responsible secretary of the party of South Pyongan Province, and chairman of the People's Committee of South Pyongan Province; Kim Man-song, chairman of the Administrative and Economic Guidance Committee of South Pyongan Province; Kim Nak-hui, chairman of the Rural Economy Committee of South Pyongan Province; other local, party, governing organs; administrative and economic organs; and responsible functionaries of mass organizations participated along with the workers of the province. [passage omitted]

At the rally by the workers of Haeju, Paek Pom-su, responsible secretary of the party of South Hwanghae Province and chairman of the People's Committee of South Hwanghae Province; and other local, party, governing organs; administrative and economic organs; and responsible functionaries of mass organizations participated along with 50,000 workers. [passage omitted]

At the rally held in Sariwon, Kang Hyon-su, responsible secretary of the party of North Hwanghae Province and chairman of the People's Committee of North Hwanghae Province; Kim Hyong-chung, chairman of the Administrative and Economic Guidance Committee of North Hwanghae Province; (?Kim Yong-suk), chairman of the Rural Economy Committee of North Hwanghae Province; and other local, party, governing organs, administrative and economic organs; and responsible functionaries of mass organizations participated along with 30,000 workers. [passage omitted]

South Korea

No Tae-u Interviewed on Summit Expectations

SK1012074490 Seoul YONHAP in English 0712 GMT 10 Dec 90

[Text] Seoul, Dec. 10 (OANA-YONHAP)—Peace and cooperation on the Korean peninsula will be the major topics of his discussion with Soviet President Mikhail Gorbachev and there will be concrete results on these issues, President No Tae-u said Monday.

"The next few years are a crucial time for Korea in determining whether we reunify or stay as the only divided nation in the world," No said in an exclusive interview with YONHAP news agency on the occasion of its 10th anniversary Dec. 19.

The president strongly implied that a detailed and significant agreement can be expected to come out of his summit with Gorbachev. No is to visit the Soviet Union on Dec. 13-16 for his first meeting with the Soviet leader since the two countries normalized relations Sept. 30. "The visit itself is a symbolic beginning of a new era and we now can have confidence that the future can deliver peace and reunification on the Korean peninsula," No said. "There will be tangible fruits from the summit (on these issues)."

Calling the next few years the period that will decide whether South and North Korea will reunite or remain divided, the chief executive said everyone must "prepare for the opportunity that will soon be given us in realizing national reunification." "North Korea does not appear to expect speedy improvements in inter-Korean ties," he said, pointing out that Pyongyang is repeating its demand to adopt a non-aggression pact instead of discussing inter-Korean exchange and cooperation measures. "But we will continue to seek a reasonable compromise by taking into account the North Korean demands," he said.

The remarks come just before the third round of inter-Korean premiers' talks begin in Seoul with the arrival of the North Korean delegates on Tuesday. South Korean officials suspect North Korean leaders of pressing for the conclusion of a non-aggression pact in a covert move to force American troops out of South Korea at an early date.

No also expressed optimism on South Korea-China relations, saying diplomatic normalization was "definitely not far off."

On rumors a major cabinet reshuffle is in the works for late this month or early January, the top executive said, "Considering that capable people are mobilized as the country faces changes and new political responsibilities, cabinet posts can be reshuffled at any time. But the timing cannot be discussed."

Local autonomy will be carried out as agreed between the ruling and opposition parties, No said, vowing to minimize negative economic and social effects through holding "clean elections."

"I thank all the people who support and cooperate with government efforts for political, economic and social stability," No said. "The government will enhance its efforts in the coming year for further public security."

North's Yon Hyong-muk's Agenda Previewed

SK1012050390 Seoul YONHAP in English 0440 GMT 10 Dec 90

[Text] Seoul, Dec. 10 (YONHAP)—North Korean Prime Minister Yon Hyong-muk will arrive in Seoul via the truce village of Panmunjom on Tuesday morning for a third round of talks with his South Korean counterpart.

Yon will be accompanied by seven delegates, 33 officials and 50 reporters and is scheduled to attend a dinner at the Sheraton Walker Hill Hotel Tuesday evening, hosted by South Korean counterpart Kang Yong-hun, after checking into the Shilla Hotel, which will also be the venue for the talks.

There will be plenary sessions Wednesday and Thursday at the Shilla to discuss ending political and military confrontation and implementing multi-faceted exchanges and cooperation between South and North Korea.

They are unlikely to agree as there are still differences on a basic agreement on improving South-North Korean relations proposed by the South and on a non-aggression pact and agreement on exchange and cooperation proposed by the North despite several working-level contacts, South Korean government sources said. South Korea maintains that the adoption of a non-aggression declaration and ways to promote mutual exchange and cooperation should be dealt with by a political and military subcommittee and an exchange and cooperation subcommittee to be set up a month after the adoption of a basic agreement for confidence-building. North Korea prefers immediate adoption of a non-aggression declaration in the premiers' talks.

"We repeatedly called on the North to show a more sincere attitude toward free exchange of dispersed families and improvement of mutual cooperation in the talks," the sources said. "However, it seems hardly possible for them to accede to our incessant demand because they are preoccupied with prior solution of political and military issues."

South Korean Unification Minister Hong Song-chol is also pessimistic about the prospect of the talks bearing fruit and on Saturday said, "it still seems difficult for both sides to iron out their differences even in 'Seoul talks,' as already proven in the working-level contacts." He hinted at the possibility of progress on a few issues by saying South Korea would do its utmost to realize economic exchange and set up a military hotline between the two sides, on which they have almost agreed.

While in Seoul from Tuesday to Friday, the North Koreans will have guided tours of the Korea Broadcasting System and Korea Exhibition Center and attend a concert of traditional music played by musicians from both sides of Korea. "However, it is unlikely the North Korean delegation will pay a courtesy call on South Korean President No Tae-u at the presidential mansion, Chongwadae, because of No's state visit to the Soviet Union and his schedule," the sources said. The North Korean delegation is scheduled to leave Seoul for Pyongyang via Panmunjom Friday morning.

1990 UN Membership Application Plans Dropped

SK1012051590 Seoul YONHAP in English 0459 GMT 10 Dec 90

[Text] Seoul, Dec. 10 (YONHAP)—South Korea has dropped plans to apply for U.N. membership this year because global attention is focused on the situation in the Persian Gulf, Foreign Minister Choe Ho-chung said Monday. "It is the government judgement that discussion of South Korea's admission into the United Nations is untimely at a time when the U.N. Security Council is preoccupied with the Gulf crisis," Choe said in a regular briefing for reporters.

Analysts see the decision as an attempt to placate North Korea ahead of President No Tae-u's summit with Soviet President Mikhail Gorbachev in Moscow on Dec. 13-17 and the third round of inter-Korea premiers' talks, beginning in Seoul on Tuesday.

"The government will continue to ask North Korea and China to accept our proposal of simultaneous entry of South and North Korea into the United Nations, repeatedly stressing the consistent stance that South Korea cannot but seek full U.N. membership alone as early as possible if North Korea opposes the South's proposal," he said.

North Korea insists on sharing a U.N. seat with South Korea, which Choe called unrealistic and unreasonable, and it denounces the simultaneous admission of South and North Korea as perpetuating the division of the Korean peninsula.

"As a result of contacts with China through diplomatic channels, the Chinese attitude toward South Korea's U.N. entry was found to be conspicuously changing," Choe said. "China requested that South Korea make continuous efforts to induce North Korea to become flexible."

On the Korean president's visit to Moscow this week, the foreign minister said there will be no joint news conference by No and Gorbachev following the South Korean-Soviet summit in accordance with Soviet custom, adding the Korean leader will announce the outcome of their meeting in the form of a news conference.

N. Korean Musical Group Arrives in Seoul

SK0812062090 Seoul YONHAP in English 0604 GMT 8 Dec 90

[Text] Seoul, Dec. 8 (OANA-YONHAP)—North Korean musicians checked into a Seoul hotel on Saturday afternoon in preparation for the first concerts ever given in Seoul by someone from the North. The 33 musicians will play in the year end Korean traditional music festival for four days before heading home on Thursday.

Song Tong-chun, head of the group, said in an arrival speech the festival was "not just a stage for exchange between North and South but a stage for national reconciliation and unity." Song, vice chairman of the North Korean Musicians Union, said the North Koreans would try to meet the aspirations of the whole Korean people, whom he described as yearning for unification.

In Panmunjom, the members of the Pyongyang folk music troupe were warmly received by 46 South Korean musicians led by Hwang Pyong-ki, chief organizer of the festival. In a welcoming speech, Hwang urged musicians on both sides to take the lead in advancing the date of reunification.

It is the first time musicians from North Korea have performed in the South since Korea was divided in 1945 although performers from North Korea visited Seoul in September 1985, when South and North Korea exchanged members of separated families.

In October, Hwang led a group of South Korean musicians to take part in a concert in the North Korean capital of Pyongyang.

In Panmunjom, Song said he felt passionately that Koreans in the North and South should not be separated by the tragedy of national division any more. He said he would make every effort to make the traditional music festival a festival of reunification. The North Koreans will perform on Sunday, Monday and Wednesday at the Seoul Arts Center and the National Theater in Seoul. They are also to visit the Secret Garden, National Classical Music Institute and a musical instrument company.

North Musicians Sightsee in Seoul

SK0912104290 Seoul YONHAP in English 0853 GMT 9 Dec 90

[Text] Seoul, Dec. 9 (YONHAP)—North Korean musicians who came here Saturday to participate in the 1990 year-end Korean traditional music festival visited the Secret Garden, a royal palace of the Yi Dynasty, Sunday morning.

The 29 North Koreans except four were received warmly by Yi U-yong, chief manager of the palace, and other South Korean guides upon arrival at the palace and looked around the palace buildings and court yards for one hour and 20 minutes. Four of the 33-member North Korean troupe were absent from the sight-seeing.

The North Koreans said that they felt the feeling that South and North Korean people are one people from the same ancestors after seeing the cultural relics displayed at the palace.

Yi Sun-hwa, 31, who will play kayagum, a Korean zither, said she was very happy to visits Seoul and that the construction style of the buildings at the Secret Garden is very much similar to that in the old buildings in North Korea.

In the afternoon, the northern musicians inspected facilities at the Seoul Arts Center where they will make the first performance and had some practices. The North Korean musicians will perform on Sunday, Monday and Wednesday before heading home on Thursday.

Musicians Sing Reunification Song

SK1012011090 Seoul YONHAP in English 0047 GMT 10 Dec 90

[Text] Seoul, Dec. 10 (YONHAP)—Musicians from South and North Korea joined hands on stage in an emotional rendition of "Our Best Wish is Reunification" in Seoul Sunday night. It was the first time since Korea was divided in 1945 that musicians from both sides had shared the stage in Seoul and followed a series of similar concerts in Pyongyang Oct. 14-24.

The year-end "unification" concert opened at the Seoul Arts Center at 7 P.M. with the national institute of classical music playing "Pyojongmanbangjigok," a court music. After the intermission, North Korean musicians played for the enthusiastic audience in the 2,600-seat concert hall.

Sung Yong-hui of North Korea sang "The Road to Unification," co-composed by Prof. Hwang Pyong-ki of Ewha Womans University in Seoul and Song Tong-chun, leader of the northern troupe, during the South Korean musicians' visit to Pyongyang in October.

The curtain fell after all 247 musicians, including the 24 from the North, sang the inevitable chorus of "Our Best Wish is Reunification." The second joint concert will be Monday at Seoul Arts Center from 7 P.M. and there will be a special performance on Wednesday for delegates to the third round of inter-Korean prime ministerial talks at the National Theater. The North Koreans will arrive on Tuesday and the talks will be on Wednesday and Thursday. The musicians came on Saturday and will return on Thursday.

Activities, Performances Reported

SK1012035090 Seoul YONHAP in English 0141 GMT 10 Dec 90

[Text] Seoul, Dec. 10 (OANA-YONHAP)—The fully-packed hall of the Seoul Arts Center resounded with a national reunification song on Sunday evening as South and North Korean musicians emerged onto the stage hand in hand after giving a joint concert.

The North Korean traditional music troupe drew a full house of some 2,600 people for their first performance in Seoul and spotted in the audience were opposition party for Peace and Democracy President Kim Tae-chung, co-chairman of the ruling Democratic Liberal Party Pak Tae-chun and president of the Korean National Red Cross Kim Sang-hyop.

"We realized how much our southern brethren desire national unification after seeing the disappointment of those who could not get tickets to the concert," Song Tong-chun, chief of the North Korean troupe, said in a news conference earlier Sunday. Song expressed major disappointment at an article in a major local daily on the day of his troupe's arrival, written by a former leader of the North Korean Nodong party who now lives in the South, but said it wouldn't prevent reunification.

"There is a strong current of reunification," Song said. "There may well be minor impediments to the current, but they will not be able to block the flow."

Another source of discomfort was the demand that some 500 posters brought by the North Koreans without agreement by the two sides during preparatory talks be posted at performance sites. The concert organizers finally approved the posters, which were soon put up at the Seoul Arts Center and the National Theater, the site of Monday's performance.

The North Korean musicians, appearing relaxed, were busy Sunday exchanging professional opinions with their counterparts in Seoul. The visitors brought 11 kinds of traditional musical instruments but "only a small section" of North Korea's wide array of instruments, they said. "Artistic elements occupy an important place in North Korean music," Sin Tong-il, director of the North Korean troupe, said. A member of the troupe said the North Koreans received standing ovations when they played in the Soviet Union in October.

While touring palaces in Seoul, the visitors said they were happy to see Korea's tradition so well preserved, especially the Secret Garden, and the same efforts were going on in the North. Yi Sun-hwa said she felt the people of the South and North were of one race when she noticed similarities in buildings in Seoul and Pyongyang.

In the free atmosphere, the players, guides and reporters chatted comfortably and sometimes exchanged gifts such as calendars, badges and postcards. Last minute preparations for the concert included providing a sofa for the dressing room of Kim Myong-kon, the oldest member of the troupe.

CHUNGANG ILBO on North's Distortions

SK0912034290 Seoul CHUNGANG ILBO in Korean 8 Dec 90 p 5

[Article entitled "It Is Noteworthy That Kim Il-Song Did Not Lead Pochonbo Assault" by Yi Myong-yong, political science professor of Songgyungwan University in Seoul, commenting on his reading of the serial articles by Pak Kap-tong, former cadre of the South Korean Workers' Party, whose final and 171st installment of articles on the Communists' actions in North and South Korea from 1945 to the early 1950's is carried on the same page of the issue under the headline: "Communism Was Far From Paradise"]

[Excerpts] It was last March when the unveiling ceremony for the bronze statue of Mr. Kim Chang-suk, the first president of our university, was held. The president of a certain newspaper, who participated in the ceremony, dropped by my office, and we had a cheerful conversation. He said that he was then living for the joy of reading CHUNGANG ILBO. When I asked him what he meant by that, he said that he was enjoying reading the serial articles by Mr. Pak Kap-tong exceedingly. [passage omitted]

Mr. Pak Kap-tong's article ended with its 171st installment. [passage omitted]

His recollections provide considerable lessons on comprehending the developments on the Korean peninsula. He testified how the Korean Communist Party [previous name of the North Korean Workers' Party of Korea] and the South Korean Workers' Party planted their spies in the ROK Government, Army, police, and even their fraternal party, how the underground party was managed, etc. This teaches us a vivid lesson which we living today ought to bear in mind. [passage omitted]

The most noteworthy point in Mr. Pak Kap-tong's article is whether Kim Il-song played a leading role in the assault on Pochonbo or not. This incident, which was nothing more than plundering some supplies, is inflated a hundred times over and embellished and exaggerated by North Korea, which describes it as a sacred war. Mr. Pak, citing the testimony of Pak Kum-chol and Pak Tal (50th installment) and the testimony of a major who was from the guerrilla unit in Manchuria, asserted that the North's Kim Il-song was not the Kim Il-song who participated in the Pochonbo assault. [passage omitted]

Japan's Kaifu To Visit in Early January

SK1012025090 Seoul YONHAP in English 0238 GMT 10 Dec 90

[Text] Seoul, Dec. 10 (YONHAP)—Japanese Prime Minister Toshiki Kaifu will visit South Korea in early January at the invitation of President No Tae-u, presidential spokesman Yi Su-chong announced Monday. "Prime Minister Kaifu's visit to Korea, in reciprocation for President No's visit to Japan in May, will be the momentum to further strengthen bilateral friendly and cooperative relations," Yi said.

Kaifu and No are expected to discuss bilateral cooperation in the Asia-Pacific region and the situation in Northeast Asia. Bilateral cooperation in the midst of sweeping change in the Soviet Union and Eastern Europe and the Gulf crisis is expected to be on the agenda and the two are to discuss the legal status of Koreans resident in Japan and the transfer of technology to Korea.

Kaifu will be the second Japanese prime minister to visit Seoul since the two neighboring countries normalized their relations in 1965. Yasuhiro Nakasone was here in January 1983. Negotiations on the itinerary are under way, Yi said.

Premier Urges Closer Defense Ties With Japan

OW0712140690 Tokyo KYODO in English 1344 GMT 7 Dec 90

[Text] Seoul, Dec. 7 KYODO—South Korean Prime Minister Kang Yong-hun called Friday for Japan to strengthen bilateral relations in the field of defense "to ensure security in the Asia-Pacific region," Japanese officials said. Kang told Japan's State Minister for Defense Yozo Ishikawa that both Japan and South Korea are now required to consider regional security, not only their own defense.

Ishikawa, who arrived in Seoul earlier in the day for a three-day visit, agreed with the prime minister, telling him that Japan and South Korea are geographically close and need to strengthen cooperative relations to help promote stablity of Asia.

In a separate meeting with Ishikawa earlier Friday, South Korea's Defense Minister Yi Chong-ku expressed concern over Japan's possible economic assistance to North Korea, with which Japan is currently holding talks aimed at establishing diplomatic ties, the Japanese officials said. Yi also warned that Japan's assistance must never lead to an expansion of North Korea's military capabilities, the officials said.

Japan and North Korea have so far held two rounds of preliminary talks in Beijing to prepare for the start of full-scale negotiations on the establishment of diplomatic ties. The two countries are expected to have a third round in Beijing later this month.

While admitting rapprochement between Tokyo and Pyongyang would help promote stability in the region, Yi urged Japan to balance the talks with the inter-Korean dialogue. Ishikawa promised to take note of South Korea's concern and to support inter-Korean efforts toward detente on the Korean peninsula, officials said.

During the meeting with Ishikawa, Yi proposed to exchange information with Japan on the two countries' air defense identification zone systems (ADIZ) in order to prevent aircraft accidents, they said. Ishikawa showed broad support for the proposal. The ADIZ system sets a zone outside each country's air space within which aircraft are identified, so as to prevent the intrusion of potentially hostile aircraft into their actual air space. There have been several cases in the past when Japanese fighters scrambled toward South Korean ones.

In the meeting with Prime Minister Kang, Ishikawa touched upon Yi's proposal and said Japan will study it, the officials said. The director general of Japan's Defense Agency, however, also briefed Kang about constitutional restraints on defense matters. He told Kang that Japan's Constitution is interpreted as prohibiting the country from exercising the right of collective defense.

Ishikawa, here to brief South Korean leaders about Japan's defense policy, was the first Japanese defense minister to visit South Korea in over 11 years. He is scheduled to return home on Sunday.

Japan Defense Agency Head's Seoul Visit Viewed

SK0812103690 Seoul CHOSON ILBO in Korean 8 Dec 90 p 3

[Editorial: "Why Did the Director General of Japan Defense Agency Come?"]

[Text] Yozo Ishikawa, director general of Japan Defense Agency, is now visiting our country. Eleven years have passed since former Director General Yamashita visited the ROK in 1979 and briefly met the then Defense Minister Chu Yong-pok. Included in the director general's itinerary are his talks with Prime Minister Kang Yong-hun, Foreign Minister Choe Ho-chung, and Defense Minister Yi Chong-ku, and his visit to Panmunjom and the forward observation point of the ROK Army 1st Division.

On the surface, it is not unusual that a defense minister of a friendly country whose military attache is stationed in the ROK should visit this country—for the first time in 11 years at that—and meet and hold talks with the appropriate authorities and tour points of interest. However, it is not an ordinary matter that the head of Japan Defense Agency should visit us at this time, when the U.S. Forces in the ROK and Japan are planning a large-scale phased withdrawal and when discussions are held both in North and South Korea on the need for mutual arms control and disarmament for reunification.

From this standpoint, we cannot help but question two points in the first place. First, Director General Ishikawa, in an interview with reporters prior to his departure for the ROK, compared the military strength between North and South Korea and said that the "military threat from North Korea" still exists.

What is the intention of Japan's stressing "North Korean military threat" while the Japanese Government has made secret contacts with North Korea, keeping them in the dark even to the government of the ROK, a country friendly to Japan, and has not hesitated to offer "economic cooperation" which could greatly help North Korea build up its arms? Is it not that Japan is scheming to cajole North and South Korea, an unfortunate and tragic country divided because of Japan, into further intensifying military confrontation?

The second question is whether Japan has some business in mind to take advantage of us? The Korean people, who are hot-tempered and are liable to be misled by appearances, are apt to overlook the possible stratagem of the Japanese, who have dreamed of "Asian management" for long time. The Korean people are apt to be entangled in a plot by seemingly insignificant things, as a less skillful chess player is unknowingly defeated by a more skillful chess player.

We are concerned about this because we are worried that our country might become a market subject to Japan's logistical support. The military equipment requiring modern technology is produced by the United states in finished form and by Japan through licensing agreement, and our country cannot even think of participating in it for lack of money and technology. Therefore, we have to purchase it in finished form at a high price. The purchase of P-3C patrol planes is a good example of this. The United States suspends production, Japan produces it under licensing agreement, and we purchase what is produced by the United States in finished form, and are compelled to receive the ensuing maintenance support from the United States or Japan.

Under these circumstances, we are compelled to buy the Japanese parts which are less expensive and easier to purchase than the U.S. parts, or get maintainance services from Japan. In the case of the purchase of communications equipment, in particular, both North and South Korea will become a good market for Japan, and we are very likely to suffer from an irreversible situation where we are subjugated to Japan for logistical supplies. We must closely keep an eye on the director general of the Japan Defense Agency, who visited us at this time.

No Tae-u Expected To Reshuffle Cabinet in Feb

SK0812031090 Seoul YONHAP in English 0257 GMT 8 Dec 90

[Text] Seoul, Dec. 8 (YONHAP)—President No Tae-u will carry out a major cabinet reshuffle by February, a senior official of the ruling camp said Saturday. "I don't think No is considering a shake-up this year, despite the rumors," the official said. The president will attemp to achieve political, economic and social stabilization before the end of the year, he said.

"No appears to intend to conduct a comprehensive cabinet reshuffle prior to February, when he will have been in office three years," said the official who declined to be named. Prime Minister Kang Yong-hun's step-down will be part of the change in the cabinet line-up. Most presidential secretaries but Kim Yong-il, who was named senior presidential secretary for civil affairs on Thursday, are likely to be replaced. So are Presidential Secretary-General No Chae-pong and Presidential Adviser for Policy Affairs Kim Hak-chun, he said.

Premier Urges Public Support in Fighting Crime

SK1012021890 Seoul YONHAP in English 0200 GMT 10 Dec 90

[Text] Seoul, Dec. 10 (YONHAP)—Prime Minister Kang Yong-hun, calling for a tighter social discipline, asked the public to cooperate with the government in fighting crime Monday and said the war would continue until the cause of crime had been wiped out.

In a speech broadcast live on nationwide television, Kang said: "President No Tae-u on Oct. 13 declared war on crime and violence, appealing to the people for a new order and a new life-style, and the government has been endeavoring to restore discipline and order in our society."

"It is difficult for the government, however, to expel crime, violence, injustice, disorder and the decadent trend by itself. The positive and voluntary participation of the people is sorely needed."

He called for the Christmas and New Year's holidays to be celebrated in "a sound manner" and said, "we have a long tradition of consoling our soldiers and policemen, who protect our lives and properties, at this time of the year. I hope the entire people will practice the beautiful tradition and make our society a warmer place to live in."

As part of a fund-raising campaign for victims of the Kwangju civil uprising in May 1980, meanwhile, Kang appealed for public participation to create "momentum for national reconciliation and democratic development."

"The Kwangju democratization movement is a historical incident that did vast damage nationally and regionally, and the pain should be removed as soon as possible. I hope the people will positively participate in the fund-raising campaign to create new momentum for national reconciliation and democratic development," he said.

The government campaign began Monday under the law on compensation for people involved in the Kwangju democratization movement. The Treasury will pay compensation and the medical expenses of victims of the uprising and public donations will be used to pay their living expenses, Kang said.

A compensation support committee headed by the prime minister and a compensation deliberation committee headed by the Kwangju mayor are working on compensation and support for families of the 165 people who died in the uprising, the 37 missing, the 1,974 injured and 64 others.

No Urges Support for Single-Digit Pay Raises

SK0712050690 Seoul YONHAP in English 0209 GMT 7 Dec 90

[Text] Seoul, Dec. 7 (YONHAP)—President No Tae-u called on the public Friday to back the government's effort to hold pay raises below 10 percent next year.

After being briefed on plans for economic stability next year by Deputy Prime Minister Yi Sung-yun, No said wages of workers have increased steadily during the past few years and are not low compared with workers in other countries.

Agreeing stable industrial relations and wages are crucial for the economy, he told the cabinet to join with employers in making efforts to improve labor-management relations and the welfare of workers.

No said the shortage of construction workers should be solved by long-term readjustment of building projects and by using prefabricated sections and other methods that require less manpower.

*Student Movement Targets DLP, Reunification

WA2811042690 Seoul CHUNGANG ILBO in Korean 20 Sep 90 p 12

[By reporter Kim Chong-hyok]

[Text] Student activists have broken their silence, declared 20 September to be "One Million Students' Grand Struggle Day," and entered a busy second semester by planning such activities as simultaneous rallies at each campus and street demonstrations nationwide.

In early September, the Chondaehyop sent out "Strategies for 20 September Struggle Day" to all universities and colleges. This memo calls for: 1) large scale demonstrations, ready to move to the streets, 2) violent street demonstrations, and 3) the establishment of politically symbolic subjects for each area. By 19 September, most schools had completed plans for the "second semester struggle."

Following the 20 September "Grand Struggle," students are planning to take part in the 22 September street demonstration "National Rally Against the Anti-dictatorial DLP [Democratic Liberal Party]" sponsored by the Peoples' League.

For the time being, the student activists seem to have narrowed their second semester issues to two: the national reunification issue and the anti-DLP movements.

The reunification issue such as the North and South students' Grand National March of 1988; the sending of a representive to the North's Youth Festival in 1989; etc. has been the heart of student activities till now, but, during the second semester, 1,000 departments from all universities will try for direct student exchanges with the North.

During the first semester, the students planned to have each department visit the North, after submitting requests for and obtaining government permission, but the students changed to "independently and individually meeting student representives from the North and discussing exchange programs," and to do that they will conduct planning meetings at Panmunjom. This change wás made because the students concluded that obtaining government permission to visit the North is almost impossible, and as the August Pan-National Conference proved, continuous requests for full-scale open door policy allowing citizens and students' northern visits will not only discredit the govenment's "government only" policy, but it will reveal the government's fake reunification policy. Also, students from Korea and Yonsei Universities are planning to invite their alumni from the North to attend their annual sports event which starts 8 October.

In reality, however, these reunification movements are mainly symbolic. The key target seems to be the "anti-DLP and the anti-government" movements.

Student movement observers have noticed that this change, the reunification issue superseded by the domestic political issue, occurred for the first time since the leadership of the student movement passed to the NL (National Liberation) faction which gave birth to the Chondaehyop in 1988.

According to a plan prepared by the Chondaehyop Policymaking Committee in August and the memo by the Chondaehyop Central Committee, "Basic Proposals for How To Struggle" which was sent to each school's student body in September, included "1990 must become the year that we can educate the masses to be aware of the anti-DLP and anti-government movements, and expose the DLP's plot to hang on to political power under the parliamentary cabinet system. Thus, basic direction for the student movement in the second semester is the domestic political issue; preventing the realization of a parliamentary cabinet system."

Furthermore, the memo suggested that in order to destroy the DLP's plot and the parliamentary cabinet system, a pan-national democratic organization which can stand to fight against the DLP must be established. Moreover, a reunification move without "hostility" toward the DLP and the United States must change.

The reason the domestic political struggle has been placed before the reunification struggle is because the student activists concluded that to be ready for the 1992-1993 political turnover, when a new president and new lawmakers will be elected, the students must be politically motivated enough to form a united grand democrats' organization which can stand against the united grand conservatists.

According to the Chondaehyop leadership's view, although the government does not openly advocate the parliamentary cabinet system, the political scenario to establish the DLP in 1990, to revise the constitution to adopt a parliamentary cabinet system in 1991 and to complete the structure for long term power is al- ready prepared.

Student activists feel threatened because in the event the political power fails to change and the opposition accepts minority party status with limited power, the student movements will stagnate. Therefore, the students plan to start concentrating on street demonstrations that attack the DLP's regional offices and other highly politically symbolic offices, and expose the government's failures, such as soaring rent costs and prices for consumer products, the stagnant national economy and the fall of the stock market, etc.

According to the Chondaehyop's "proposals for policy-making," the student activitists target is to establish united democratic government in the 1992-1993 political turnover, and to promote and enforce mass democratic movements.

* Korean Interest in Vietnamese Market Increases

* Annual Academic Conference

912C0014A Seoul MAEIL KYONGJE SINMUN in Korean25 Sep 90 p 6

[Article by reporter Yi Pong-ho]

[Text] Editor's note: In the midst of a rising interest in penetrating the Vietnamese market, the second annual ROK-Vietnamese Economic Cooperation Academic Conference was held on 25 and 26 September at the Korean Chamber of Commerce. It was jointly sponsored by the Vietnamese Chamber of Commerce and the Yonsei University Southeast Asian Affiars Institute (Director Kim Tal-Chun). We have summarized the content of important papers presented at this academic conference, which was prepared to foster mutual ROK-Vietnamese understanding and put together a plan to promote economic cooperation. [end editor's note]

Second Annual ROK-Vietnamese Economic Seminar

Vietnam's foreign investment policy: In the history-making strategy to pursue social and economic progress in Vietnam, economic cooperation from other countries and foreign investment is the most important part. Currently, Vietnam is implementing an overseas liberalization policy to pursue cooperative relationships without regard to social or political systems. Vietnam's foreign investment law, passed in the assembly in December 1987, permits foreign investment in various sectors, including mineral development, agriculture, fishing, and forestry, hotel construction, tourism, and banking. According to this law, investment by foreigners is permitted in three forms; business cooperation, joint investment enterprises, and 100 percent direct investment. Foreign investors are guaranteed that they will be able to take their investment capital and profits out of Vietnam.

The Vietnamese Government is prepared to conclude investment guaranty and double taxation agreements with foreign governments.

The Vietnamese Government has laid down a policy to promote large-scale capital investment and technology transfer that is vital to conserve energy fuels, to develop new consumer goods and enhance product quality, and to import needed raw materials for transfer manufacturing and export firms.

In relation to these three investment enterprises, a corporate income tax reduction ranging from 5 percent to 10-14 percent more than other economic sectors has been applied, and tax exemption privileges have been granted.

Vietnam's policy to develop natural resources and industry: Vietnam is a country possessing diverse natural resources.

For example, in mineral resources we can mention stores of oil, coal, iron ore, bauxite, tin, chrome, and apatite.

In particular, natural oil reserves have been estimated at 2 to 3 billion tons, and yearly production could reach a maximum output level of 30 million tons. Along with this, natural gas production can go as high as 2 to 5 billion cubic meters annually; coal reserves have been estimated to be 3 billion tons, and annual production could reach as high as 20 million tons.

Also, Vietnam could produce up to 1.5 million square meters of wood and pulp on a yearly basis.

Natural resources development in Vietnam is receiving the support of the government. Recently, importance has been placed on natural resource development as the prime mover behind progress in the national economy. Therefore, foreign investment is being encouraged to develop natural resources, and any form of investment, ranging from joint ventures to 100 percent direct investment, is possible.

Vietnam, with its abundant natural resources, has set forth a policy of placing emphasis on manufacturing enterprises for agriculture and fisheries products, consumer industries such as textiles, clothing, and footwear, and the heavy chemical sector.

The importance of the Vietnamese economy from the South Korean point of view: The reasons why South Korea must have an interest in Vietnam are: Vietnam, as the third most populated Socialist nation, has great possibilities to become a new market for South Korea; Vietnam, unlike other Southeast Asian countries, possesses great possibilities for future development because it has the cultural and academic foundation to support economic growth; and Vietnam is a country with abundant natural resources.

In particular, oil has recently been found off the seas of Vietnam, which has generated even more interest.

Also, both countries, in several aspects, will be able to set up a relationship that is mutually beneficial, and economic cooperation has become more realistic.

This is because Vietnam possesses a cheap and enormous labor pool, abundant natural resources, and an extremely large market, but it is in need of technology and management expertise and cash for investment. In comparison with this, South Korea has the technology Vietnam requires, and Vietnam will be able to provide the raw materials, cheap yet highly-skilled labor, and a market.

* Crude Oil From Vietnam

912C0014B Seoul MAEIL KYONGJE SINMUN in Korean20 Sep 90 p 7

[Text] The Kolon Group is importing Vietnamese oil.

The Kolon Company recently concluded a contract to import oil from VietSov Petrol Incorporated, a Soviet-Vietnamese joint firm in Vietnam, and it is anticipated that the oil could be brought into South Korea beginning as early as next month.

We have been informed that Kolon plans to sell the oil to the Kuktong Oil Company, and currently negotiations are underway to work out the amount and the price. The Kolon side is initially looking at the possibility of importing 10 to 20 thousand barrels a day, and VietSov Petrol Incorporated, after it is finished with a long-term contract with Japanese companies by April of next year, has decided to pursue a long-term contract to export more than 40 thousand barrels a day to Kolon.

The price of Vietnamese oil, at about $30 per barrel, is somewhat expensive.

Additionally, taking into account the fact that VietSov Petrol Incorporated imports 50 thousand barrels a day of Soviet oil, then sells it to third countries, the Kolon side, by going through this company, is also pursuing importation of Soviet oil. Also, the Kolon Company is considering forming a consortium of Korean firms, including the Lucky-Gold Star Group, and participating in a project to develop deep sea mining off the coast of Vietnam.

Burma

Khin Nyunt Speaks on Communists, Opposition

Part One

BK0812113190 Rangoon Domestic Service in Burmese 1300 GMT 7 Dec 90

[First part of speech by Major General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council, on 7 December at the No. 1 Guest House of the Defense Services at a "special" 107th news conference—recorded]

[Excerpts] I would first like to thank members of the cabinet led by the minister of home affairs, the attorney general, the chief justice, the inspector general, senior military officials, local and foreign journalists, and guests present at the news conference today. At this news conference I would like to inform the people through the local and foreign journalists about the movements of insurgent organizations and political parties that were aimed at obtaining state power. At the news conference today I shall explain in order to clear up the current confusion among the general public and shall report on the true situation of the country. [passage omitted]

A country's progress, peace, and tranquility depends mainly on respect for law and order. Every citizen must observe all laws, rules, and regulations promulgated by the state. Action will have to be taken against any person or organization that infringes upon the law. [passage omitted]

First, I would like to explain the movements of the Burma Communist Party [BCP]. The BCP UG's [underground elements] are still active today. [passage omitted] I had already explained during one of the previous news conferences about the BCP attempts to obtain state power during the 1988 events. After the Defense Services assumed state responsibility and while the BCP was still trying to create disturbances and obtain power, Kokang nationals from within the BCP captured Mong Ko, where the BCP Headquarters and the northern bureau were located, on 13 March 1989 and split from the BCP. On 17 April 1989 Wa nationals captured the BCP Headquarters at Panghsang and split from the BCP. Furthermore, the 768th Brigade composed of Shan and Akha nationals and the No. 815 Military Region rose up against the BCP leadership and drove out the BCP Central Committee, and during November 1989 the No. 101 Military Region left the BCP. These developments left the BCP Central Committee with the loss of armed national groups. Furthermore, after BCP UG leader Thet Khaing and his associates were exposed and arrested during July and August 1989, the BCP UG strength in lower Burma was almost decimated.

I already explained at the 104th news conference how Bo Kyin Maung continued to lead the BCP central and hardcore elements and strove for the survival of the BCP. [passage omitted]

While the BCP movements were being watched, studied, and exposed, Khin Maung Lwin and Than Tun—BCP UG's—were arrested at Hninpale station in Bilin township on 8 October 1990 on their way back from contacting the ABSDF [All Burma Students' Democratic Front], and 18,000 baht and important documents were seized. [passage omitted] On 22 October 1990 BCP UG Ohn Than and Thet Hmu, who were assigned to establish contact between the BCP and the ABSDF, were exposed and arrested together with reports, photographs, films, and documents. [passage omitted]

Ohn Than was involved in Operation Storm during April 1990 together with Bo Mya of the Karen National Union [KNU] and Moe Thi Zun [ABSDF]. Under the operation, they were to accept those fleeing from urban areas, organize political parties in towns, and coordinate covert and underground activities. [passage omitted] We were able to expose the plans of the ABSDF and the KNU with the participation of the chairman of the New Kayah State Party, Shwe Aye, and the BCP representative, Saw Kaw U, in trying to infiltrate (Pekon) region in Pyinmana and gain a foothold for weapons in the Delta region. A study of the BCP UG's movement to obtain state power reveals that their plans were made methodically. We have been able to expose how the BCP UGs infiltrated every strata of the society, including students, teachers, workers, and peasants as well as political parties. [passage omitted]

On 20 January 1990 Ohn Than went to Three Pagodas Pass via Kya-in Seikkyi with Than Tun from the Workers College and a companion. After their arrival at Three Pagodas Pass, Ohn Than held talks with Aung Myint Soe and Moe Thi Zun. It was learned that a political advisory committee headed by Ohn Than was formed secretly after it was presented to the Central Executive Committee of the ABSDF. The existence of this committee was made known only to the ABSDF Central Executive Committee and some insurgent leaders without the knowledge of insurgents at lower levels, and ordinary members have not been informed. The committee was formed with BCP UG's and pro-BCP elements—Ohn Than, Myint Hlaing, Aung Myint Soe, Htay Aung, and Zaw Tun.

It was learned that the political consultative committee and the ABSDF Central Executive Committee discussed establishment of contact with the BCP to gain an advantage over the allied insurgent organizations, to establish base areas within the country, to create another major event, and to obtain more manpower. Ohn Than was also assigned to make contact with the BCP. [passage omitted] I am presenting these to show how the BCP secretly formed the said organization to dominate and control other insurgents. [passage omitted]

Next, I shall explain the BCP UG's movements in the Mandalay area and its collusion with the Laypyin Layyat Sangha Sameggi [Monks Union] of Mandalay led by U Yewada. After the BCP UG's in Yangon [Rangoon] were exposed, the BCP UG's in Mandalay continued to operate extensively. We were able to arrest BCP UG's Thein Than U, Khin Maung Than, Zarni Aung, and Aye Thwin on 16 November 1990. [passage omitted] We learned about the BCP UGs' activities in Mandalay from their interrogations. [passage omitted]

When the BCP UG's were exposed and arrested during July and August 1989, Thein Than U took refuge in monasteries in Mandalay, during which time he approached U Yewada, who formed the Sangha Sameggi during the strikes [of 1988]. [passage omitted] During December 1989 members from the three political parties of the BCP UG's which were dissolved, including Thein Than U, met with U Yewada and offered their assistance in the Sangha Sameggi. It was learned that U Yewada told them to give advice on a political line that suits the prevailing political situation. It was learned that U Yewada promised to help make the Upper Burma (?Ba-Ka-Tha) [All Burma Students Union] and political organizations follow the line.

The BCP UG's formed the People's Political Front and issued a document entitled: "Two Paths To Be Followed by the Political Parties." The document called for holding free and fair elections and the release of Daw Aung San Suu Kyi and detained politicians, withdrawal of Declaration Nos. 2/88 and 8/88, and priority to be given to election of NLD [National League for Democracy] candidates in the elections. It has been learned that these actions were aimed at taking political advantage of and impressing and extending BCP influence over U Yewada, who was very politically eager.

It was also learned that plans were made in advance to use the influence of U Yewada to create disturbances among students and monks in Mandalay, if necessary, depending on the outcome of the elections. The Sangha Sameggi of Mandalay at that time was able to dominate all organizations in terms of strength and leadership. That was why the BCP UG's infiltrated this Sangha Sameggi and assigned Thein Than U to dominate and influence U Yewada at close range. After it extended its influence and domination over the Sangha Sameggi, the BCP continued to control the Upper Burma All Burma Students Union. [passage omitted]

By March 1990 the BCP UG members of the People's Political Front were able to effectively control the Sangha Sameggi, and Tin Htay was able to give advice at close quarters to the Upper Burma All Burma Students Union. [passage omitted]

After the elections, Thein Than U advised U Yewada to form a powerful organization. Accordingly, the Sangha Sameggi, the Upper Burma All Burma Students Union, the Lower Burma All Burma Students Union, Ma-Na-Ta-La [expansion not given], and the Democratic Party for a New Society, Mandalay Division formed the Committee for Struggle. This committee was formed with the intention of urging the youth to exert pressure to ensure the immediate transfer of power to the NLD by organizing and agitating disturbances and demonstrations in every town and to provide leadership if disturbances take place.

After the government issued Declaration No. 1/90, the NLD issued Declaration No. 5/90, and the Sangha Sameggi and the All Burma Students Unions of Upper Burma and Lower Burma objected to the NLD for its action and applied pressure. The Sangha Sameggi summoned the NLD Organizing Committee of Mandalay, and the All Burma Students Union protested verbally at the NLD Mandalay Division Office. But the Committee for Struggle, which included Ma-Na-Ta Youths and the Democratic Party for a New Society of Mandalay Division—two legal political parties—feared government action against these two parties. Therefore, Thein Than U and associates proposed formation of a more consolidated and systematic organization. During the last week of August 1990 the National Interests Safeguarding Committee [NISC] was formed.

The NISC was formed with a Propaganda Committee, Organizing Committee, and Finance Committee. The organizing committee, using the strength of the Sangha Sameggi, the Upper Burma All Burma Students Union, and the Lower Burma All Burma Students Union was to pressure the National League for Democracy to rescind its Declaration No. 5/90; to infiltrate among NLD members; to carry out organizational work at the township and divisional level; if the NLD continued to refuse to rescind Declaration No. 5/90, to oust members of township and divisional level central executive committees that had been set up; to replace the central executive committees with assembly representatives to implement the Gandhi Declaration; and to get wide public support in implementing the declaration by organizing workers and peasants throughout the country. The NISC was to be organized at the township level into small organizations and to form a united front as soon as an opportunity arose. The BCP UG's controlled the Sangha Sameggi from behind and carried out instigations according to their wishes, and these actions led U Yewada to hold a meeting with NLD executive members of Mandalay Division—Monywa Tin Shwe, U Thein Dan, U Ohn Kyaing—at Maniyadana Monastery in the Sagu Monastery complex in Mandalay during the last week of June 1990. During the meeting U Yewada gave instructions and applied pressure on them to work to obtain power. It was learned that Monywa Tin Shwe and Ohn Kyaing briefed U Yewada on the future programs after the Gandhi conference.

U Yewada met Monywa Tin Shwe, U Thein Dan, and U Ohn Kyaing in Yangon at the end of August 1990 and admonished them to act courageously, or else, he said, all central executive committees would be ousted.

A meeting with an attache from a major foreign embassy took place on 7 August 1990 and 30 September 1990. It has been learned that during the first week of September 1990, through contact made by U Thein Dan of the Mandalay Division National League for Democracy, U

Yewada met with U Kyi Maung, U Aung Shwe, U Khin Maung Swe from the NLD Central Committee, and five other leaders at Myadaung Monastery and warned them that if they did not work firmly toward obtaining power, the Central Executive Committee would be dismissed.

We have also exposed that the NISC put U Yewada at the forefront in convening a meeting of monks to create disturbances. Following the raids carried out by our security units in Mandalay since the beginning of October 1990, members of the NISC took refuge in monasteries. The NISC made plans for a meeting between independent UN human rights expert Professor Sadako Ogata, and relatives of political detainees when she visited Rangoon on 20 October 1990 to make demands. [passage omitted]

Next, I shall explain the activities of U Sein Mya of the People's Democratic Front [PDF], who is in Thailand. The BCP is not the only organization involved in the bid to attain state power; the PDF led by U Sein Mya, which had left the DAB [Democratic Alliance of Burma] because of differences of opinion regarding the Constitution, is also included. [passage omitted]

I will next present the efforts made by the DAB, which was formed with a combination of various insurgent groups, to establish a provisional government. The DAB was formed on 4 November 1988 under the patronage of the KNU [Karen National Union]. At the time of the formation there were 22 member groups with the inclusion of the ABYMU [All Burma Young Monks Union], and later membership increased to 23 members. The names of all its members could be seen on the board. Out of the 23, the KNU expelled the NUPD [Nationalities United Party for Democracy] and GSC [General Strike Committee] from the DAB because of disagreement, and membership was reduced to 21 groups on February 1989. According to the latest report, the DAB now consists of 24 member groups, with the latest addition of the German Burma Association [GBA].

To carry out extensive antigovernment activities internally and externally, the DAB has formed a Foreign Affairs Committee, an Organizing Committee, a Military Affairs Committee, and a Finance Commitee. The first step the DAB took was to pronounce the government-sponsored democratic general elections as not free and fair, and then it formed the National Coalition Government, Union of Burma, on 24 April 1990. It was learned that Bo Mya of the KNU was tentatively elected as president and prime minister, with Breng Seng of the KIA [Kachin Independence Army] and Naing Shwe Kyin of the NMSP [New Mon State Party] as deputy prime ministers. On 26 April 1990, apart from forming a provisional government, the DAB also drafted and printed the draft constitution. The names of persons elected as members of the first provisional government are shown on the board. After the multiparty general elections, the DAB abruptly abolished the government without any prior notice, and announced its willingness for full cooperation with a civilian government to form a new democratic country. This is the formation of the first provisional government.

In accordance with the prevailing political situation, the DAB held a meeting and proclaimed the 1947 Constitution unacceptable and demanded the formation of the country with eight states, including the Burmese State, allowing every state to have its own armed forces. On 14 June 1990, the DAB issued a propaganda leaflet announcing its opinion on formation of a union with various states. The DAB next made efforts to form a second provisional government after viewing the changes within the NLD. The DAB held a meeting at the KNU Headquarters in Manerplaw from 11-17 November 1990 and formed a provisional government [preceeding two words given in English]. It was formed with leadership from the KNU's Bo Mya, the CRDB's [Committee for Restoration of Democracy in Burma] Tin Maung Win, and PDF's U Sein Mya.

I have already presented to you the activities of the group known as the Expatriate Democratic Struggle Force or the 4375 Group, since August 1990. You will clearly see the connection between some political parties within the country and the insurgents if you connect all these facts. At this stage, the CRDB's Tin Maung Win presented his resignation from the DAB citing family health problems. The names of persons elected as members of the second provincial government of the DAB are shown on the board. According to latest reports we have received, some members of political parties from within the country are at the border areas holding discussions to form a provisional government in cooperation with the DAB. I will tell you frankly, NLD members make up the majority of these members of political parties at the border areas. [passage omitted]

That is why I would like to say [to the public] through you journalists: Do not to be misled by the instigations of these insurgent groups. I would like to urge you to remove all these evil influences to cooperate unitedly under the leadership of the SLORC [State Law and Order Restoration Council] to work for the emergence of Myanmar as a new peaceful and progressive democratic country with a firm national objective. [passage omitted]

In June 1990, U Yewada met with U Pyinnyeinda, chairman of the Yangon Division Young Monks Association, at the Shwegondine Monastery in Bahan, Yangon. U Pyinnyeinda contacted U Maung Ko of the Central Workers Work Committee of the National League for Democracy [NLD] to arrange a meeting between U Yewada and U Kyi Maung. U Yewada met U Kyi Maung and U Chit Khaing at the headquarters of the NLD. U Yewada asked U Kyi Maung what activities the NLD, which has won the elections, intended to carry out. U Kyi Maung answered that they were working on the convening of the Hluttaw [People's Assembly] and the drafting of a new constitution. Afterwards, U Kyi Maung and U Yewada continued their discussions.

The Central Executive Committee members from the NLD, U Aung Shwe, U Kyi Maung, U Khin Maung Swe, and U Sein Hla U, and head of office U Sein Tun, were in Mandalay on 23 August 1990. While in Mandalay, they met with U Yewada at the Myadaung Monastery on 25 August 1990, with arrangements made by the NLD's Mandalay Division. At the meeting, U Yewada asked their reason for coming to Mandalay and the future plans of the NLD.

On 24 August 1990 U Maung Ko, Daw Win May, and Shwe War Soe of the NLD met with U Pyinnyeinda and U Witheikta of the Yangon Division Young Monks Association and Ko Ko Gyi from the All Burma Federation of Students Union at the Myanaung Monastery in Bahan, and held discussions about requesting the State Sangha Mahanayaka Committee [Supreme Council of Senior Abbots] to intervene between the NLD and the government. [passage omitted]

Part Two

BK0912100390 Rangoon Domestic Service in Burmese 1304 GMT 8 Dec 90

[Final part of speech by Major General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council, delivered at the No. 1 Guest House of the Defense Services at a "special" 107th news conference on 7 December—recorded]

[Excerpts] [Passage omitted] I will now deal with the inner workings of the National League for Democracy and the activities the party was engaged in to seize state power. Through you, journalists, I will explain about the NLD and the various methods employed to obtain power so that the people will know about them.

Kyi Maung and U Chit Khaing of the NLD were detained on 7 September 1990 on evidence linking them to a different case. Following this, on 23 October 1990, the NLD Headquarters was raided and searched for documents. Accordingly, we discovered that during NLD Central Executive Committee meeting No. 4/90, the presiding chairman, U Kyi Maung, formed ad hoc groups and invited them to work out beforehand different methods that should be adopted if Parliament was not convened by September, as demanded in the Gandhi Declaration.

They came up with the following three methods:

The Hard Line—a method that advocates thinking only about what one wants without taking into consideration what the other side wants;
The Soft Line—a method that takes into consideration only what the other side wants without thinking about one's own needs; and
The Principled Line—a method that takes into account the needs of both sides.

Based on these three lines, four task groups were formed to prepare documents.

The four task groups were:

No. 1 Task Group members: U Myo Aung, U Hla Pe, U Tin Aye, U Khin Maung Tun, and U (?Soe Nyunt);
No. 2 Task Group members: U Tin Win, U Min Wai, U Ohn Maung of Shan State, and U (Cin May Kyu) of Chin State.
No. 3 Task Group members: U Ohn Myaing of Mandalay, U Tin Shwe of Monywa, U Thein Dan of Mandalay, U Tin Tun Lay of Irrawaddy Division, and U Saw Chit Than of Karen State, and Myint Hlaing, Myint Soe, and Myo Thaw U of the NLD youth wing central body.
No. 5 [number as heard] Task Group members: U Ye Htut of Mon, Thakin Soe Myint of Yangon [Rangoon], and U Hla Pe of Moulmeingyun.

We understand the reason No. 4 was left out was because, according to Japanese beliefs, it is unlucky.

These four task groups prepared four papers: one paper was prepared by the No. 1 Group headed by U Myo Aung; another by No. 2 group by U Tin Win; and two papers by the No. 3 Group—one by the seniors headed by U Ohn Myaing and another by the members of the youth wing central body. No. 5 Group was not able to come up with a paper.

When we studied the four papers, we found that the paper prepared by the youth wing central body contained proposals to oppose and attack the government. The remaining three papers prepared by the senior groups also contained proposals which conveyed double meanings which amounted to opposing the government. Hence, today we are in the process of bringing in and interrogating the people responsible.

The paper prepared by the youths contained ways to stop the government infrastructure from operating if a government cannot be formed within a set time frame. The proposals were primarily aimed at toppling the State Law and Order Restoration Council. Their plan called for initiating a general boycott, making the public service personnel join the boycott, halting government operations, destroying machinery and vital goods at factories and mills, and cutting off all communications throughout the country.

The plan says the obstructions posed by the military government must be countered. If the military government shoots, they are to surge to where the shooting is taking place; demonstrate by committing suicide; kidnap and murder authorities, their families, and people close to them; hijack planes; and blow up buildings and structures.

Also included within the plan drafted by the NLD youth wing is the convening of a parliament. They planned to convene the parliament either on 30 September or 15 October. The members of parliament were to be invited secretly with invitations being delivered in person. We were able to discover that the parliament was to be convened at an embassy place or at a monastery compound in Mandalay.

The papers contained information about quickly convening the Parliament session and the immediate formation of a government. Efforts were to be made to win recognition from organizations at home and abroad. This shows that preparations were being made for choosing a violent path. These plans were made by relying on the BBC, VOA, and the AIR [All India Radio] radio stations, as well as the CIA, and several foreign ambassadors. [passage omitted]

Well, just imagine that. You journalists can decide for yourselves how dangerous the plan prepared by the NLD is for the country. I will now continue explaning their plan.

I will deal with their contacts with the insurgents. During the crisis in 1988, Myint Soe, an official of the NLD Youth Wing Central Body, became friendly with U Sein Mya. In the last week of April 1989, Myint Soe was visited by Mon Chan of the New Mon State Party, and he visited the Three Pagoda Pass [at the Thai border] where he met U Sein Mya. [passage omitted]

Myint Soe returned to Yangon in mid-June 1989 and assumed responsibilities at the NLD Youth Wing Central Body. Between June 1989 and September 1990, U Sein Mya sent emissaries and contacted Myint Soe four times. [passage omitted]

In the second week of June 1989, Myint Soe returned to Yangon and was a member of the inner circle who accompanied Daw Aung San Suu Kyi at her rallies. On 26 June 1989, before an NLD Youth Wing meeting was held, Myint Soe told Daw Aung San Suu Kyi that he had come back from the jungles. He said he was silenced by Daw Aung San Suu Kyi who said: you should not be telling me this.

In January 1990, an insurgent from the New Mon State Party delivered U Sein Mya's letter to Myint Soe. [passage omitted]

What I have explained just now is to show that we have uncovered evidence that the NLD Youth Wing Central Body is prepared to resort to violence, to form a parallel government by establishing contacts with insurgent organizations in the jungle, and to start an armed insurrection if their expectations are not met. I will now explain about the factions within the NLD. [passage omitted]

There were incidents involving NLD cliques which wanted to disrupt the interests of the party and the interests of the state. They resorted to erroneous ways and tried to wrest power by forming a provisional government. I have explained that the clique that opposed Declaration No. 1/90 of the State Law and Order Restoration Council [SLORC] and NLD Declaration No. 5/90, held a meeting at the residence of U Ba Bwa, elected NLD representative of Amarapura Constituency-1, on 29 September 1990.

On the same afternoon, that clique held another meeting in the video room of U Ba Bwa's residence. Those who were not members of Parliament were not permitted to attend; it was a special meeting of only elected members of Parliament. At that meeting, the participants decided that the SLORC's declaration was not acceptable and that they also protested against NLD Declaration No. 5/90. They pointed out that the party suffered because of its failure to form a shadow cabinet at the earlier meeting. They made a plan to form a provisional government in Mandalay with members of Parliament to be invited from different states and divisions. We learned that if more than 180 candidates were present, they planned to convene the Parliament.

They planned to choose two representatives each from each state and division and would make the other representatives endorse the selection. The other representatives were to leave after the endorsement. Of the two selected representatives from each state and division, one would become a member of the Cabinet while the other would return to his constituency, where he will undertake the task of organizing people from all stratas.

Once the provisional government is set up somewhere, between 3,000 and 5,000 students and monks are to protect it. The plan is to have each representative surrounded and protected by at least 50 monks. If the SLORC resorts to military force, they would withstand two onslaughts, and the cabinet is to surrender peacefully only after the third onslaught. We learned that arrangements were to be made to approach some embassies about this plan and also to seek support from abroad. [passage omitted]

We are informing the people through journalists that that was a secret plan by the NLD to form a provisional government in Mandalay.

I will now deal with a secret meeting held to set up a provisional government at an insurgent base in the jungle. On 1 October 1990, following the meeting in Amarapura, a secret meeting was again held in a (?rice mill) building off the Mandalay-Maymyo road. The meeting was attended by five people—U Bo Hla Tint, representative of Mogok Constituency-2; U Win Ko of Ye-U Constituency-2; U Hla Tun of Kemmendine Constituency; U Mya Win of Ingabu Constituency; and U Chit Tin of Minhla Constituency. They decided to make preparations to form a provisional government at a location in the jungles at the border. U Win Ko, U Bo Hla Tint, U Mya Win, and U Chit Tin were given charge of domestic affairs making contacts with insurgent organizations. They were to make preparations to send between 15 to 20 representatives from different states and divisions to the jungles at the border and to try and win support from armed insurgent organizations. U Hla Tun was in charge of approaching foreign embassies in order to seek support and recognition for the provisional government.

The provisional government is to be set up at a jungle site belonging to the insurgents. We understand that the purpose of the support and the recognition they sought was not for the immediate transfer of the three [legislative, administrative, and judicial] powers to them but to blackmail the SLORC into handing over the power to NLD representatives in the country.

According to that plan, they intended to pressure the SLORC with support from the students, workers, and other people coupled with backing from abroad. Since the majority of the support among the students and the monks have already been prepared in Mandalay, they intended to create unrest and rallies supporting the provisional government there. They believed that foreign countries will pressure the SLORC when similar rallies are also organized in the other states and divisions. Once the SLORC relents and hands over power, the provisional government at the insurgent camp will then join hands and work together with the legally formed government in the country.

We understand that once the new government takes over the reins of power, U Sein Mya's group in the jungles will support it while the New Mon State Party headed by the Nai Shwe Kyin group would pledge loyalty to the NLD.

Another plan involves taking asylum in an embassy to form a provisional government. We understand that they plan to hold a meeting to be attended by 250 NLD representatives, whereby each representative was to sign a statement on whether he supported NLD Declaration No. 5/90. Those who opposed that declaration would be assumed to support the Gandhi Declaration. Later, those who opposed Declaration No. 5/90 would be organized and combined with the representatives of the nationalities from the Nationalities League for Democracy. Talks were to be arranged later with these representatives.

If more than 250 representatives came out to oppose Declaration No. 5/90, U Hla Tun was to have worked to gain foreign contacts with the support of U Tin Maung Win and U Khin Maung Swe. On 8 October 1990, U Hla Tun explained the secret meeting in Mandalay and the plan to form a provisional government in the jungle to U Maung Ko at the Construction Enterprise relief shop on Shwegondine road. U Maung Ko was recruited to join the trip into the jungles to form the provisional government, and U Maung Ko agreed to the idea and promised to work toward it.

Although they made efforts to implement the plan at a meeting in Mandalay on 29 October 1990, 280 representatives could not come to Mandalay as expected. In addition, since the Defense Services had taken charge of the situation in a disciplined way against the Laypyin Layyat Sangha Sammagi [Union of Monks] and its religious boycott, we understand that their provisional or interim government plan did not materialize.

While on this subject, I have to say that U Maung Ko divulged everything about his plans, about the provisional government, and about his plans to go to the jungles. And I wish to say he committed suicide because he could no longer control himself, because of his guilt. What I have just discussed concerns the NLD's plan to form a certain type of government—the provisional government, the government in exile, the government at a jungle location, and so forth. We provide evidence on this to journalists.

What the NLD people have done is dangerous for the country. We found out about their plans in time and hence had to take action and bring in people and interrogate them. Because we were doing that, foreign broadcasting stations frequently broadcasted false reports about the SLORC government making unfair arrests and persecuting the NLD people. Today, I think everyone would understand by now why we have been bringing in, interrogating, and taking action against NLD people. As a government we will have to act against anyone who violates the law. [passage omitted]

Brunei, Malaysia & Singapore

Malaysia

Li Peng Greeted on Arrival by Foreign Minister

BK1012085490 Kuala Lumpur BERNAMA in English 0829 GMT 10 Dec 90

[Text] Kuala Lumpur, Dec 10 (OANA-BERNAMA)—Chinese Prime Minister Li Peng arrived here Monday [10 December], leading a 49-member delegation on a four-day official visit to Malaysia.

The Chinese premier, on his first visit here, is accompanied by his wife Zhu Lin. They were met on arrival at the Kuala Lumpur International Airport here by Foreign Minister Abu Hassan Omar.

Malaysia is the first stop on Li's tour to four Asian nations. He will also visit the Philippines, Laos, and Sri Lanka.

His delegation includes Foreign Minister Qian Qichen, Minister in charge of the Commission for Restructuring the Economic System Chen Jinhua, Foreign Economic Relations and Trade Vice Minister Li Lanqing, and Public Security Vice Minister Tao Siju.

His visit is at the invitation of Malaysian Prime Minister Dr. Mahathir Mohamed. The two leaders will meet Tuesday for discussions expected to touch on bilateral and international issues.

In an arrival statement, Premier Li Peng said he hoped his visit would help further enhance mutual understanding and trust between both countries, which would lead to broader cooperation in the economic, trade, scientific, technological, and cultural fields.

He said China and Malaysia were friendly neighbours and that their two peoples had enjoyed close contact and a traditional friendship since ancient times.

Since the establishment of diplomatic relations, he said China and Malaysia had made satisfactory progress in friendly relations and cooperation.

The Chinese leader and his entourage later proceeded to Parliament Square for the official welcoming ceremony by Dr. Mahathir.

GATT Failure Could Lead to 'Trade Blocs'

BK0912130590 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 9 Dec 90

[Text] Datuk Sri Rafidah Aziz, minister of international trade and industry, says trade blocs will emerge among regional countries if the GATT meeting which will resume in Geneva next year, fails. Nevertheless, ASEAN may adopt a common stand prior to the Geneva meeting. She said this to newsmen upon her return from the Brussels meeting.

[Begin Rafidah recording] For Malaysia, we are dissatisfied with the European Economic Community's offer of more discounts. Nevertheless, we will not only expect discounts or a good offer in agriculture, we will also want to see beneficial agreements for developing countries in all aspects of the talks. We stressed that even though agriculture was the most important one, developed countries should not merely try to reach agreements among themselves in areas such as services, intellectual property, and trade-related investment measures in disregard to demands and strong appeals of developing countries such as ASEAN, including Malaysia. [end recording]

Accord Signed With UK on Hawk Jet Fighters

BK1012074290 Kuala Lumpur BERNAMA in English 0707 GMT 10 Dec 90

[Text] Kuala Lumpur, Dec 10 (OANA-BERNAMA)—The Malaysian Government, Monday, signed a Malaysian $2 billion (about US $740 million) purchase agreement with the UK's British Aerospace to buy 28 Hawk fighter aircraft.

The 402.8 million sterling pounds contract was signed by Malaysian Defence Ministry Secretary-General Nasruddin Bahari and British Aerospace (military aircraft) Ltd Managing Director John Weston at the Defence Ministry here. It was witnessed by Malaysian Defence Minister Mohamed Najib Abdul Razak.

Under the agreement, the Malaysian Government would buy 10 jets of the Hawk 100 series, and 18 of the 200 series. This also includes the purchase of related equipment, ammunition, training, technical services, ground support equipment and spares.

The total value of the contract is 402,876,645 sterling. The Hawks form the single largest purchase under the Malaysian $4.5 billion (about US$1.6 billion) memorandum of understanding (MOU) to buy military equipment signed between the Governments of Malaysia and Britain two years ago.

The Hawk aircrafts are the third purchase under the MOU after long-range air defence radars and a command-control communications and intelligence system.

Mohamed Najib said the Hawks, the largest such delivery in the Southeast Asian region, would arrive in 1993. So far, only Indonesia has a less sophisticated version while Brunei is interested in buying some.

The purchase agreement also provided for an additional Malaysian $400 million (about US $148 million) "offset programme" to be implemented over a 20-year period, he added. The programme calls for British Aerospace to transfer technology to local defence industries.

National Front, PBS Win State By-Elections

BK0812141290 Kuala Lumpur Domestic Service in English 1330 GMT 8 Dec 90

[Text] In the by election for the Sulabayan State Constituency, the Barisan Nasional [National Front] candidate, Haji Abdul Salam alias Haji Nasir Tan Sri Sakaran, won with 5,181 votes in a straight fight with Encik [Mr.] Marasal Haji Lais of Parti Bersatu Sabah [PBS] who polled 4,264 votes. The spoiled votes numbered 165. The total number of votes was 9,445. The percentage was 64.76, and the majority was 917.

In the Sipitang state by election, Puan Jamilah Sulaiman of the PBS won with 3,436 votes. She beat her nearest rival of the Barisan Nasional, Dr. Haji Yusof Haji Yaakob who polled 3,233 votes. The independent candidate, Encik Ismail Awang Hadi polled only 43 votes. He had lost his deposit. There were 56 spoiled votes. The total number of votes was 6,712 [as heard]. The percentage was 80.89, and the majority was 203.

Singapore

Trade Minister Views GATT Talks' 'Breakdown'

BK0812143990 Singapore Domestic Service in English 1100 GMT 8 Dec 90

[Text] Singapore businessmen and exporters have been warned that the breakdown of GATT talks will make it more difficult for them to expand in the [words indistinct] market. Deputy Prime Minister and Minister for Trade and Industry Brigadier General Lee Hsien Loong says the effect will be felt over the long term.

He was speaking in Brussels after a week-long Uruguay Round of trade talks with GATT. [Words indistinct] on issue of farm subsidies. Gen. Lee said without a good (?framework), businessmen will be subject to more harassment and have no (?means) to defend. He said such a hostile trading environment is a loss to developing countries like Singapore as well as the developed countries.

Although Singapore had bilateral discussions with many of its trading partners, Gen. Lee felt there were (?no) substitutes for a good multilateral trading arrangement.

On the protectionism [words indistinct] some countries, Gen. Lee said they have to live with it and find ways around it.

Cambodia

AFP Reports Premier Scheduled To Visit Hanoi

BK1012072890 Hong Kong AFP in English 0719 GMT 10 Dec 90

[Excerpt] Hanoi, Dec 10 (AFP)—Cambodian Prime Minister Hun Sen was due in Hanoi Monday for talks on the Cambodian peace plan drafted by the five permanent U.N. Security Council members, diplomats said.

They said Mr. Hun Sen's talks with Vietnamese leaders would focus notably on the role the United Nations could play during a transitional period leading up general elections in Cambodia. The visit was to last a few days. [passage omitted]

Commentary Pledges To Prevent Pol Pot Return

BK0812104590 Phnom Penh Domestic Service in Cambodian 1300 GMT 7 Dec 90

[PRACHEACHON commentary: "What Is Not True Will Be Defeated"]

[Text] Successively implementing outdated maneuvers in an attempt to use a political solution and negotiations as cards to topple the State of Cambodia, which for the past nearly 12 years they have failed to do, the Sihanouk and Son Sann groups, siding with the genocidal Pol Pot group, are carrying out slanderous and gross propaganda to dupe others; flagrantly violating ethics and goodwill against the State of Cambodia, the only force opposing the return of the genocidal Pol Pot regime; and accusing the State of Cambodia of implementing a policy to bring the Khmer Rouge-Pol Pot group back to power in Cambodia.

In a recent commentary of the Voice of the Khmer radio, the pro-Son Sann and pro-Sihanouk groups raised the Vietnam issue as a pretext to cover the crimes these groups have committed in collaboration with the Pol Pot group to destroy the nation and motherland and the Cambodian people. What should be exposed is that they are implementing a policy to turn black into white and wrong into right and putting the blame on the State of Cambodia and Vietnam for blocking the search for a political solution to the Cambodian problem. They also say that the State of Cambodia is a non-existent and illegal regime.

In the past as in the present, everyone knows that the fact that the State of Cambodia has led the country and made all-round progress after the Cambodian people were saved from the genocide of the barbarous, savage, and cruel Pol Pot regime is a miraculous act as far as ethics and truth are concerned. Due to the goodwill resulting from its desire for the nation to enjoy peace quickly, the State of Cambodia has made great concessions that have created possibilities for advancing the process to solve the Cambodian problem. From day to day, the role of the State of Cambodia has become a necessary key factor in solving the Cambodian problem.

Diplomatic representatives of the U.S. Government recently met twice with representatives of the State of Cambodia Government in Laos and Indonesia. The head of the Thai Government, Chatchai Chunhawan, also invited Comrade Chairman Hun Sen to Bangkok three times to talk about solving the Cambodian problem and bilateral issues. In early October, the Indian Government also invited Comrade Chairman Hun Sen for an official visit to India. At the same time, a delegation of the French Government and diplomats from Japan, Britain, New Zealand, Australia, and the United States also made official visits to Phnom Penh.

This clearly shows that the State of Cambodia Government has been recognized and supported by many countries the world over. Is this Phnom Penh government what the opposing group has been saying is non-existent? This should be enough for the other Cambodian side to realize what is going on.

The current Phnom Penh government not only has a full structure but is also a legitimate one set up by the people. It is administering and directing every task throughout the country. For the past nearly 12 years the State of Cambodia Government has been a major force in preventing the genocidal regime's return. On the other hand, the Son Sann and Sihanouk groups have carried out activities with a group that includes the genocidal Pol Pot group. This shows that it is this group that is implementing a policy serving the return of the Pol Pot group to power in Cambodia.

It is important to stress that the Son Sann and Sihanouk groups have no ability and no force to oppose the Pol Pot group. This is why on every section of the road toward a solution to the Cambodian problem, what has been agreed upon has been destroyed instead. This has dragged out the peace process in Cambodia because the genocidal Pol Pot group does not agree to go along. As a matter of fact, the Son Sann and Sihanouk groups are shamelessly and openly shielding the Pol Pot group and carrying out tricky maneuvers to constantly create obstacles to prevent the Supreme National Council—which has already been legitimately established—from functioning to solve basic issues and move toward ending the bloody conflict, achieving national reconciliation, and bringing genuine peace for Cambodia.

We are convinced that a solution through war is not the aspiration of the Cambodian people or of people the world over. However, the war forced upon us now is a just war for the nation's survival and for preventing the Pol Pot group's return. As long as the other opposing Cambodian side continues to nurture dark maneuvers, the Cambodian people will further heighten their vigilance and continue to resolutely fight to defend national and social gains to defend the new regime and absolutely prevent the Pol Pot group from returning and usurping power again.

West, Vietnam Blamed for Peace Process Impasse

AU1012141690 Paris AFP in English 1308 GMT 10 Dec 90

[Text] Paris, Dec 10 (AFP)—Son Sann, a leader in the tripartite Cambodian resistance, blasted "certain western countries" who, he said, were backing the Vietnamese-backed Phnom Penh regime and "trying to blame Cambodians for the current impasse" in peace talks. Mr. Son Sann, who is prime minister of the Cambodian opposition government led by Prince Norodom Sihanouk, did not name any countries. But he said some that had "already contributed to the suffering of the Cambodian people in the recent past and are ready to sacrifice it again for commercial gain."

He also blamed Vietnam for "preventing any political solution in Cambodia" and the Phnom Penh regime that was "blocking peace".

Without naming France, he criticized the recent visit to Phnom Penh by the French secretary of state for international cultural relations Thierry de Beauce, and a planned visit by Paris Mayor Jacques Chirac to the three Indochinese countries of Cambodia, Vietnam and Laos next March.

Mr. Son Sann, who heads the Cambodian nationalist right FNLPK [Khmer People's National Liberation Front] faction, said "it was not the moment" for such visits. He singled out India, Australia and Laos as among countries whose attitude he saw as too favorable to the Phnom Penh regime and Vietnam.

He also claimed that Vietnamese troops were still present in Cambodia and "even if they were not intervening directly, were inciting Khmer troops to slaughter each other".

The Cambodian process has been hung up since the failure of last year's Paris International Conference on Cambodia. A key problem is the conflict over power-sharing between the Phnom Penh government and the three party resistance alliance.

Mr. Son Sann criticized Phnom Penh's refusal to accept Prince Sihanouk's proposal for new talks in Paris and their rejection of a U.N. framework to end the war. The U.N. plan would set up a joint interim authority of the different Cambodian parties though the United Nations would hold sweeping powers until elections are held.

He hinted, however, that a way out of the impasse could be found if the co-chairman of the Paris International Conference on Cambodia, France and Indonesia, convene all the Cambodian parties here anew and ask "each in turn" for its agreement on the peace plan.

The other resistance coalition factions are Prince Sihanouk's group and the Khmer Rouge guerrillas.

KPNLF Reportedly Suffers 'Heavy Casualties'

BK0712124690 Hong Kong AFP in English 1225 GMT 7 Dec 90

[Text] Bangkok, Dec 7 (AFP)—Cambodian guerrillas suffered heavy casualities after government troops used artillery barrages to repulse a massive assault on a strategic road in northwestern Cambodia, Thai military officers stationed on the border said Friday.

"The guerrillas belonging to the Khmer People's National Liberation Front (KPNLF) have taken a serious beating and their ground assault against Route 69 has been repulsed by heavy artillery and rocket bombardment from the Phnom Penh troops," a Thai officer based at Aranyaprathet said.

Guerrilla officers told AGENCE FRANCE-PRESSE that KPNLF Commander General Sak Sutsakhan this week threw 1,700 troops from five special forces battalions into the fight for Route 69, which runs parallel to the Thai border some 30 kilometres (18 miles) inside Cambodia.

But Cambodian Government troops "decimated" the KPNLF force with massive artillery and rocket bombardments from Phum Nimit and Phum Srok, both straddlying strategic Highway Five, and artillery bases around Sisophon, the capital of northwestern Banteay Meanchey Province, the Thai officers said.

Phum Nimit and Phum Srok, part of a strategic network of some half-a-dozen artillery bases set up by Vietnamese troops during their nearly 10-year occupation of Cambodia, still provide the most effective deterrent against guerrilla attacks, analysts said.

KPNLF sources said casualty figures were not immediately available. Government soldiers interviewed in Cambodia's border trading town of Poipet, opposite Aranyapathet, said the fighting was heavy but gave no details.

The Khmer Rouge—the strongest faction in a tripartite coalition trying to topple the Phnom Penh Government—last year suffered its heaviest battlefield setback since the Vietnamese troop withdrawal in September 1989 when it tried to seize Phum Nimit firebase.

A Thai paramilitary officer said the KPNLF also suffered heavy casualties when it ran into a mine field while attempting to seize a section of Route 69 to isolate Svay Chek from Sisophon.

"Svay Chek is a tough target for the guerrillas as the town is currently defended by some 700 Phnom Penh troops equipped with four Soviet-built T-54 tanks, BTR light tanks, six armoured personnel carriers (APCs), a number of artillery and multiple rocket launchers," the officer said. "This is more than enough to repulse a guerrilla attack on open ground," he added.

Meanwhile, officials in Poipet said cross-border trade was unaffected by fighting northeast of the border town in the last few days. A senior Phnom Penh Commerce Ministry official visited Poipet earlier this week to inspect the border trading, they said.

The official told Poi Pet authorities that Phnom Penh would soon negotiate with Bangkok to officially open up markets along the border, they said. Border markets, except for the those in Poipet and Aranyaprathet, are regarded by Thai authorities as "illegal black markets."

Lull in 'Heavy' Fighting Noted

BK1012062090 Hong Kong AFP in English 0606 GMT 10 Dec 90

[Text] Bangkok, Dec 10 (AFP)—There was a lull in heavy fighting in Cambodia on Monday as guerrillas regrouped following a costly failed assault on a strategic northwestern town, Thai paramilitary sources at the border said.

Guerrillas from the non-communist Khmer People's National Liberation Front (KPNLF) were regrouping around their main field headquarters at Boeng Takuan, two kilometres (1.2 miles) from the Thai border, the sources said.

Sources in the battle zone said the assault, launched Wednesday by a 1,700-strong KPNLF strike force, was initially checked by a dense 700-meter (yard) minefield ringing the outskirts of Svay Chek.

After fierce fighting, the guerrillas were were forced to retreat Saturday after suffering heavy losses from continuous and concentrated artillery and rocket barrages by Phnom Penh troops.

The sources said government troops guarding Svay Chek and Route 69, a strategic road linking the town with Banteay Meanchey province capital Sisophon, immediately took advantage of the havoc their artillery had caused by launching tank-led mop-up operations.

"Phnom Penh's mop-up operation, which later escalated into a limited counterattack spearheaded by T-54 tanks and armoured personnel carriers, has driven the guerrilla forces back as far as Boeng Takuan," Thai paramilitary sources said. The wounded guerrillas were sent to a field hospital on the Thai side of the border, but casualty figures were not immediately known for either force.

There was a lull in the fighting at Boeng Takuan and at Bak Chan, the KPNLF's forward stronghold, as the guerrillas fortified their defences and Phnom Penh troops regrouped for further action.

"When Phnom Penh's counter-offensive begins, the fighting will be very close to the Thai border," the Thai sources said.

There has been a long lull on the Khmer Rouge front concentrated around Róute 10, which links the Khmer Rouge-held gem-mining distict of Pailin with the government-held Battambang provincial capital, in western Cambodia, border sources said.

"Phnom Penh last month attempted to attack and recapture Pailin from the Khmer Rouge with a large force now garrisoned in Battambang, but the defences around Pailin have proved too tough for an open assault," the sources said.

"The Khmer Rouge have tried to avoid pitched battles but have been hitting hard at both the front and rear positions of the Phnom Penh force with sabotage teams which halted the government attack in the area last month," they said.

VONADK: Move of 400 SRV Specialists Noted

BK1012034590 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 9 Dec 90

[Text] According to our Cambodian national resistance forces at Kompong Cham battlefield, between 18 November and 4 December, the aggressive Hanoi authorities trucked 400 Vietnamese specialists from Vietnam through Route 7 to Kompong Cham Province.

Here are some points regarding these Vietnamese specialists:

1. They can speak Khmer fluently and hold Cambodian identity cards.

2. They disguise themselves as Cambodians. Later on, some of them wear the uniforms of the traitorous, Vietnamese-puppet Hun Sen-Heng Samrin puppet clique's police force. Some disguise as tourists. Some others wear the army uniforms of the traitorous, Vietnamese-puppet Hun Sen-Heng Samrin clique.

Upon arrival in Kompong Cham Provincial seat, these Vietnamese specialists have been assigned to control and supervise the administrative networks of the traitorous, Vietnamese-puppet Hun Sen-Heng Samrin clique in villages, communes, districts, and the province, and in various military, political, economic, social, cultural, educational, sabotage, and psychological affairs offices.

VONADK Reports 'National Council' Set Up

BK1012032990 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 9 Dec 90

[Summary] According to a report by our Cambodian national resistance forces in Phnom Penh, the Cambodian people's great united forces in Phnom Penh held a meeting on 30 November. The gists of this meeting are as follows:

"1. To announce the dismantling of the Vietnamese-lackey, traitorous, and puppet Hun Sen-Heng Samrin regime in Phnom Penh City."

"2. To announce the formation of the Phnom Penh national council to be under the control of the Supreme National Council [SNC] which is headed by Samdech Norodom Sihanouk."

"3. To announce the close cooperation with the UN forces which will come to supervise the total withdrawal of Vietnamese aggressor troops from Cambodia."

"4. To appeal to the people from all walks of life in Phnom Penh to unite into great national united forces for launching all forms of offensives to force the Vietnamese aggressors and the ringleaders of the traitorous Hun Sen-Heng Samrin clique to implement the UN Security Council [UNSC] permanent members document, the Jakarta document, UNSC document No. 668/90, and the detailed document of the Paris conference co-chairmen and five UNSC permanent members."

The report added that our Cambodian people in Phnom Penh were very happy and voiced their full support for the announcement on the dismantling of the traitorous Hun Sen-Heng Samrin puppet regime, lackey of the Vietnamese, and on the formation of the Phnom Penh national council to replace it. The people pledged to join hands with the Phnom Penh national council in the fight against the Vietnamese aggressors and the ringleaders of the Vietnamese-puppet Hun Sen-Heng Samrin clique so that Cambodia can regain its independence and the Cambodian people can enjoy democratic rights and freedoms to earn their living freely.

This event clearly shows that the traitorous, Vietnamese-puppet Hun Sen-Heng Samrin regime is weakening and heading toward total doom due to the great national united forces of our Cambodian people.

Laos

Chaleun Yaipaoheu on Constitution Work Delay

BK0812123290 Vientiane Domestic Service in Lao 0030 GMT 5 Dec 90

[Interview with Chaleun Yaipaoheu, alternate member of the Lao People's Revolutionary Party Central Committee, standing committee member of the Supreme People's Assembly, and member of the Constitution Drafting Committee, by unidentified correspondent, on the fifth plenary session of the Supreme People's Assembly held in Vientiane from 24 to 29 November—recorded, date not given]

[Summary] [Chaleun] "During the meeting, the Supreme People's Assembly [SPA] endorsed seven important draft laws on labor, family, Lao nationality, insurance, enterprise accounting, noncontractual obligations, and civil case proceedings. I am of the opinion that this SPA session is the most important one because of the passage of these laws. The contents and principles of the laws are directly related to the lines and policies of our party and exert a direct impact on the livelihood of the Lao multiethnic people." For example, the labor law deals with relations between employers and employees. In my opinion, all these laws correspond to the actual conditions, fine customs, and traditions of our country. The draft laws were handed to the SPA members one month prior to the session for them to study so that they would be able to modify and amend the legislations. Under the direct supervision of Chairman Nouhak Phoumsavan, the session proceeded smoothly. "During the session, not only SPA members but also ministers, chairmen of state committees and mass organizations, and domestic guests contributed their opinions on the laws." Members of the party Central Committee Political Bureau and secretariat as well as people in the government attended the session during which opinions were frankly expressed in a democratic manner. These are the factors which led to the "most brilliant success" of the session. The session has further enhanced political unity among SPA members, who have also aquired much legal knowledge from working on the seven draft laws. The nine laws, which were enacted by the previous session, namely the Criminal Law, Law on the Procedures for Criminal Cases, People's Court Law, Law on the People's Judiciary Institute, Court Fee Law, Property Ownership Right Law, Inheritance Law, Contractual Obligations Law, and Law on the Establishment of the State Bank were also studied during this meeting.

[Correspondent] "How deeply has the SPA considered the first draft constitution of the Lao People's Democratic Republic [LPDR]?

[Chaleun] "Regarding the draft constitution which was earlier presented to the people for discussion, I would like to inform all listeners that we have made several revisions and amendments. From 72 articles, the draft constitution now consists of 82 articles. However, their original contents are intact. In other words, the constitution still has 10 chapters. Until now, we can say that the drafting has been basically completed. Since the SPA had to work on the seven laws during this session, we decided to suspend the deliberation of the draft constitution. Also, we feel that as the entire party, army, and people are preparing political reports to be submitted to the fifth party congress, we should take time to make additional improvements so that the draft constitution, especially the portion on the improvement of the state apparatuses, will be truly suitable to the actual conditions of the country. For these reasons, we did not work on the draft constitution during the SPA session. Since this will be the first constitution of the LPDR, we deem it appropriate to hold an extraordinary session to deliberate and endorse the draft constitution. We originally planned to endorse the draft constitution during this SPA session. We have to suspend this task for these reasons. I think the endorsement of the draft constitution will be made in 1991 or possibly early next year. I appeal to all listeners to follow new developments in this regard and to continue let us know your opinions as we are working on the draft constitution."

Phoun Sipaseut Receives U.S. Defense Official

BK0712130090 Vientiane KPL in English 0933 GMT 7 Dec 90

[Text] Vientiane, Dec 7 (KPL) - Phoun Sipaseut, vice chairman of the Council of Ministers and minister for foreign affairs yesterday morning received here Carl Ford, principal assistant secretary of the U.S. Defence Department, who leads a U.S. delegation visiting Laos on December 4-6.

While here, Carl Ford had separate talks with Deputy Foreign Minister Souban Salitthilat, Deputy Minister of National Defence Lieutenant General Soulima Bounleut, Deputy Minister of Agriculture and Forestry Kham-ouan Boupha, and Deputy Minister of Public Health Professor Vannalet Latsapho.

Proceeding in a frank atmosphere, the talks between the two sides focussed on the issue of American war prisoners and missing Americans during the war and the U.S. humanitarian gesture toward the Lao people.

The U.S. side praised and thanked the Lao Government for its cooperation given to the U.S. Government in this issue, which is a national issue of the United States.

Information Accord With Cambodia Signed

BK1012113990 Vientiane KPL in English 0851 GMT 10 Dec 90

[Text] Vientiane, Dec 8 (KPL)—A program of cooperation for 1991 in information and culture between Laos and Cambodia was signed here yesterday.

Signing the cooperation program were their respective deputy-ministers of information and culture, Mr. Somnit Vankham and Mr. Chey Sophea, who is here on an official visit.

The program signed provides that the sides will exchange experiences through their delegations and technicians in the fields of masses, protection of archeological sites and museums, book publication and distribution, production and distribution of cultural products, cinematographic films and video films.

Also included in the program are personnel training, exchanges of documents and artists.

Joint Military Committees Discuss Thai Border

BK0912124890 Vientiane Domestic Service in Lao 1200 GMT 7 Dec 90

[Text] The monthly meeting for the month of December 1990 of the joint military committees of Laos and Thailand was hosted by the Thai side at Na Haeo District of Thailand's Loei Province yesterday afternoon. The Lao side was led by Colonel Phommachak Soutthisan, head of the Lao-Thai Joint Military Committee, and the Thai side by Major General Wirot Wachirawat, head of the Thai-Lao Joint Military Committee. Relevant local officials from both countries also attended the meeting.

Both sides informed each other about developments along the common border during the past month and discussed ways to facilitate regular contacts and trade between the Lao and Thai people living in the border areas.

Colonel Phommachak Southisan said the meeting proceeded in a good atmosphere of mutual understanding. The Lao side accepted the proposal put forth by the Thai side to have military technicians of the two countries examine the border areas at the source and mouth of the Nam Heuang River in mid-December. The Thai side also agreed with the proposal made by the Lao side during last month's meeting on the establishment of a local-level joint military commmittee.

Joint Border Committees Sign Pact on Narcotics

BK0912125790 Vientiane Domestic Service in Lao 1200 GMT 8 Dec 90

[Text] Acting President Phoumi Vongvichit received a courtesy call from a delegation of the Joint Myanmar-Laos Border Committee led by Ohn Gyaw, deputy foreign minister of the Union of Myanmar [Burma] and chairman of the committee, at the presidential office this morning.

Phoumi Vongvichit praised the delegation's visit to Laos to hold talks with the Lao side on cooperation in defining the border between the two countries so as to turn it into one of friendship and good neighborliness. The host and his guests discussed certain issues related to the improvement and construction of production bases and efforts to protect the environment and upgrade the livelihood of the multiethnic people in each country.

On the morning of the same day, the delegation of the Joint Lao-Myanmar Border Committee led by Souban Salitthilat, deputy foreign minister and chairman of the Joint Lao-Mayanmar Border Committee and the delegation of the Joint Myanmar-Lao Border Committee led by Ohn Gyaw signed a memorandum on the joint border inspection operation and cooperation in the suppression of narcotics.

On the same occasion, Ouan Phommachak, deputy director of the Foreign Ministry's Department 2 and head of the Lao technical team, and (Maung Maung Sein), head of the Border Department of the Myanmar Foreign Ministry and head of the Myanmar technical team, also jointly signed a memorandum on the survey to define the Lao-Myanmar border to be conducted in the near future.

Minister Optimistic on New Open Trade Policy

BK0812162390 Vientiane Domestic Service in Lao 0000 GMT 7 Dec 90

[Text] Khamphoui Keoboulapha, minister of trade and tourism, says that the legal and free trade policy adopted by our party and state is very useful and important because [words indistinct] it can open and widen markets in all areas. Moreover, it prevents profiteering and even competition that can cause drops in commodity prices, triggers the expansion of production, and helps upgrade the living conditions of the people in the entire society.

So far, it has been obvious that the multiethnic people's living standards in big towns in the lowlands have gradually improved. However, there are also some negative aspects. For example, a number of unscrupulous traders have been taking excessive profits and evading taxes by submitting false reports on production costs. Many traders engage in illegal trade activities and avoid doing transactions through banks. Such people lack the spirit of patriotism and only think of their personal gains and economic interests. They do not care about the interests of the country. Meanwhile, our trade cadres lack knowledge in management. A sizeable number of cadres are tailing after businessmen or colluding with them, thus providing protection to the opportunists.

The multi-sector economic policy adopted by our party and state is the most appropriate one and leads to economic growth for our country because it exploits the financial resources and creativity of every individual for socioeconomic development, and everyone can jointly carry out the two strategic tasks of national defense and construction. These achievements can be testified to by the fact that there are now over 14,000 trade projects being launched by both Lao and foreign businessmen in the country. More commodities of various types and forms have emerged in the markets. Markets have been established in rural areas while the value of goods in circulation has increased more than before. The people are diligently engaging in production and providing services, making use of their creativity and practicing austerity. They are becoming more prosperous, and the country's financial resources have increased rapidly. The aforementioned developments have created conditions for our country to be strong in terms of money and knowledge which, when coupled with the epochal potentials, can move our country ahead step by step.

But our weak points in this regard are serious ones. We are still unable to fulfill all the requirements. Our traders have not yet paid attention to investment in production of commodities for export, thus leaving our country with a natural and semi-natural economy. With our low productivity and the inferior quality of our products, we are unable to compete in the international markets. Worse still, the expansion of trade networks in rural and remote regions is rather slow while our gross national income is low. The people's purchasing power is very limited. Imports exceed exports. The country has been suffering a trade deficit and the people's living conditions have not been duly improved. All these shortcomings can be attributed to the failure on the part of localities and sectors concerned to implement the new trade mechanism properly.

The Trade and Tourism Ministry, an important apparatus of the party Central Committee and the Council of Ministers, still lacks experience in widening markets both inside and outside the country.

Touching on the solutions at this initial stage, Khamphoui noted that we must start with following the guideline recently issued by the ministry on turning tourism and trade over to the private sector while the state-private trade enterprises and partnerships with domestic and foreign businessmen must continue to exist. State business enterprises will be kept as long as they are needed. By so doing, we are allowing the rapidly expanding private trade sector to play a role in eliminating natural economy and advancing toward a commodity-oriented economy, and widening internal markets and linking them with foreign countries step-by-step.

It is not easy to solve these problems because it involves doing away with our old habits of doing things. Since we have been applying the centralized bureaucratic mechanism of management in carrying out trade activities for the past 15 years, it will take some time to get rid of the natural and semi-natural economy and start applying the new trade mechanism. It is necessary to learn new lessons in all aspects from trade activities in areas where conditions permit quick expansion, and apply them to other localities. At present, I can see many factors conducive to the expansion of trade.

National Day Greetings From Foreign Leaders

BK0712141190 Vientiane KPL in English 0924 GMT 7 Dec 90

[Text] Vientiane, December 7 (KPL)—On the occasion of the 15th National Day of the Lao People's Democratic Republic, the Lao Acting President His Excellency Phoumi Vongvichit has received messages of greetings from foreign leaders.

Among the well-wishers were H.E. [His Excellency] Bill Hayden, governor General of the Commonwealth of Australia, His Majesty Baudouin, the king of Belgium, H.E. Arpad Goncz, president of the Republic of Hungary, H.E. Gen. Saw Maung, chairman of the State Law and Order Restoration Council of the Union of Myanmar, Her Majesty Beatrix, the queen of the Netherlands, H.E. George Bush, President of the United States of America.

H.E. Bill Hayden said in his message that "I am confident that the friendly relations which our two countries share will continue to prosper and strengthen in the coming year."

H.E. Gen. Saw Maung noted in his message to the Lao acting president that "May I take this opportunity to convey my best wishes for Your Excellency's good health and for the continued progress and prosperity of the people of the Lao People's Democratic Republic."

H.E. George Bush expressed his hope that "I hope our two nations will continue the important progress we have made in resolving pressing humanitarian issues and in expanding the basis for stronger relations in the future."

On the same occasion, H.E. Kaysone Phomvihan, chairman of the Council of Ministers, also received messages of congratulations from the prime ministers of the Republic of Hungary H.E. Jozsef Antall and of the Kingdom of Thailand H.E. Gen. Chatchai Chunhawan.

In his message, the Thai prime minister expressed hope for closer friendly relaions and cooperation between the two countries for the development, progress, stability and well-being of the people of Laos and Thailand.

Also on this occasion, H.E. Nouhak Phoumsavan, president of the People's Supreme Assembly, received a message of greetings from H.E. Gyorgy Szabad, predident of the Hungarian parliament.

H.E. Phoun Sipaseut, Lao foreign minister on this occasion, also received messages of the same nature from his counterparts H.E. Mark Eyskens of the Kingdom of Belgium, Dr Geza Jeszenszky of the Republic of Hungary, Dr. Subin Pinkhayan of the Kingdom of Thailand, and H.E. James Baker of the United States of America.

Philippines

Aquino Addresses Nation, Hints at Reshuffle

OW0912133490 Tokyo KYODO in English 1306 GMT 9 Oct 90

[Text] Manila, Dec. 9 KYODO—Philippine President Corazon Aquino on Sunday appealed to Filipinos not to join protests against fuel price hikes as she asked the government's energy board to reduce increases in premium and regular gasoline prices by almost 50 percent. "The raising of the prices of oil was a difficult decision that needed to be done. It was based on the law of supply and demand," she said in a nationwide television address.

Aquino said the country faced a shortage, if not a cutoff, in oil supplies if prices were not increased, resulting in the closure of industries. "My only request, my countrymen, is for you not to join those who are inflaming the anger in your hearts," said Aquino, referring to scheduled protests this week called by militant workers and social activists. "Instead, we should strengthen our unity in facing the hardships in the coming days until peace returns to the Middle East," she added.

She also said there would be changes in the cabinet but declined to name those she would replace. But among those expected to leave are Executive Secretary Catalino Macaraig, Public Works Secretary Fiorello Estuar, and Trade and Industry Secretary Jose Concepcion, Jr.

The board last Wednesday raised prices of nine petroleum products by an average of 45 percent but later on revised prices upward for premium and regular gasoline while lowering rates for three other items. The subsequent change in prices was made on Thursday following Aquino's appeal on nationwide television to reduce prices of diesel, kerosene, and cooking gas, which was greeted by public protests and disagreements within her cabinet.

This time Aquino asked the Energy Regulatory Board to scale down the increases in premium gasoline from 20.70 pesos (73 cents) per liter to 15.95 (66 cents) and regular gasoline from 19.56 pesos (69 cents) to 15.00 (53 cents).

Aquino critics and Manila commentators railed against the fuel price increases saying that the decision virtually obliterated the Filipino middle class, which has largely supported Aquino in her campaign for the presidency and against attempts to unseat her. But she admitted that she was not sure whether the prices would remain firm, pointing out that situation in the Persian Gulf was the determining factor.

"As your president, I can assure you that nobody, but nobody, can presume to have a better appreciation and understanding of the problems we face," Aquino said. "Prosperity is never achieved without peace. And at this precarious moment, civil commotions, disturbances and destabilization can only exacerbate the tribulations of a country already weakened by the repeated onslaughts of inclement nature and maddened men," added Aquino.

Meanwhile, the military has placed the capital on red alert for possible disturbances from both communist rebels and rebel soldiers. Armed forces spokesman Col. Juanito Rimando said that at least 6,000 soldiers including 2,000 anti-riot troops have been deployed in Manila to prevent any outbreak of violence.

Public transport workers led by a leftist driver's group have called for a strike on Monday in the capital and several key cities nationwide. Militant workers led by the May First Movement will also stage a walkout in several provinces north of Manila.

Last September, communist rebels burned about 17 vehicles, mostly passenger buses, as militants staged a three-day general strike to protest the first round of fuel price increases this year.

Secretary Macaraig Resigns

HK1012112190 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 10 Dec 90

[Report by Dick Sinchongco from Malacanang—live]

[Text] President Corazon Aquino has accepted the resignation of Executive Secretary Catalino Macaraig, Jr. This is a confirmed report, presidential spokesman Adolf Azcuna announced that the president has accepted, with regrets, Macaraig's resignation as executive secretary. Transportation Secretary Oscar Orbos has been tagged as his replacement.

[Joe Taruc, anchorman] Dick, did they say when this would take effect?

[Sinchongco] Based on what they said, this would take effect on 14 December.

[Taruc] So he has been given four more days?

[Sinchongco] Yes, and the presidential spokesman read the president's letter accepting with regrets Macaraig's resignation, where she also mentioned the accomplishments of the controversial executive secretary.

[Taruc] Did they say if other cabinet members were included?

[Sinchongco] None Joe, Azcuna has just begun to read the announcement and this was the first item mentioned.

Military, Police Placed on 'Red Alert'

HK1012052390 Manila DWIZ Radio News 882 in Tagalog 0400 GMT 10 Dec 90

[Text] All military and police units have been placed on red alert in connection with the first day launching of the transport strike participated in by more than 250,000 jeepney and bus drivers, including those organizations which had previously declared their nonparticipation. The transport strike, which opposes the Energy Regulatory Board [ERB] decision, is expected to paralyze 60 percent of the main routes in Metro Manila.

In the provinces, workers at industrial sites are expected to stage walkouts, but their Metro Manila counterparts will begin their protest on Wednesday or Thursday, depending on the all-leader forum set for tomorrow. Classes in elementary and high schools, both public and private, have been suspended by the Department of Education, Culture and Sports [DECS].

Meanwhile, more than 2,000 policemen have been deployed to certain areas in Metro Manila today due to the strike. According to Western Police District [WPD] Superintentendent Colonel Ernesto Diokno, policemen have been ordered to arrest any protester participating in foolish acts and to destroy all barricades set up by these protesters to close off roads to traffic. Colonel Diokno has ordered WPD Intelligence Chief Major Rufino Torrenueva to send personnel to possible areas where protesters may put up barricades. Diokno added that strikers would be allowed to air their grievances at Liwasang Bonifacio until 1800 [1000 GMT], but stressed that they would not be allowed to march toward Malacanang. Diokno further added that all LRT [Light Railway Transit] stations in Manila were being closely monitored by police authorities to avert any attempt to stop the LRT's operations by participants in the strike.

Reportage Covering National Transport Strike

10 Dec Strike Plans Viewed

HK1012050190 Manila PHILIPPINE DAILY INQUIRER in English 10 Dec 90 pp 1, 2

[Excerpts] A nationwide transport strike and an industrial work stoppage in certain regions kick off protest actions today against the recent increases in the prices of petroleum products, organizers said yesterday.

Crispin Beltran, chairman of the military Kilusang Mayo Uno (KMU) [1 May Movement], said the series of mass actions will show that the "people are now rising up in spontaneous condemnation of the Aquino regime."

As a precaution, the education department suspended elementary and high school classes in Metro Manila. The military also ordered the deployment of some 5,000 troops all over the country to keep order and avert violence during the strike. Armed Forces spokesman Col. Juanito Rimando said the additional troops were being fielded to counter threats from communist and ultra-rightist rebel forces.

Meanwhile, the rightist rebel group Rebolusyonaryong Alyansang Makabayan (RAM) [Reform the Armed Force Movement] denounced the oil price increases yesterday and called for the immediate resignation of President Aquino. In a statement distributed to military camps, the rebel soldiers also urged the people to join the nationwide strike scheduled today.

The statement was signed by Gregorio Honasan. He said Ms. Aquino's mishandling of the government and her unsound economic policies have caused the present economic and political crisis. In calling for Ms. Aquino's resignation, Honasan said it was clear the people can longer wait until the next election. "It is clear that we can no longer wait for the election," he asid. He added the time for Ms. Aquino to step down is "now, not tomorrow or the day after tomorrow."

In Metro Manila, striking bus and jeepney groups are spearheaded by the 250,000-strong Ugnayan ng mga Grupo at Asosasyon sa Transportasyon (UGAT) [Alliance of Transport Groups Association].

The KMU said the strikers will converge at the Plaza Lorenzo Ruiz on Dasmarinas street, in Binondo; Paseo de Roxas and Ayala avenue in Makati; Uniwide-Aurora Blvd. in Cubao, Quezon City; and Monumento Circle in Kalookan City.

Major areas to be affected by the jeepney and bus strike are Cubao, Pasay, Navotas and Monumento. But a total of 225 provincial bus units will be fielded by the Department of Transportation and Communications to take the place of jeepneys whose drivers are joining the strike. [passage omitted]

In Davao City, the KMU said workers will launch a general industrial strike today. The series of transport strikes and work stoppages started last Saturday in Southern Tagalog, Central and Northern Luzon provinces will continue, the KMU said. In Bacolod City, a big rally was scheduled today at the public plaza to protest the oil price increases.

However, members of the Federation of Bacolod City Drivers Assication, the biggest drivers' group in the city, said it would not join today's transport strike. They agreed not to go on strike following a dialog with Bacolod Mayor Afredo Montelibano Jr. yesterday.

In Cebu City, Rep. Vicente de la Serna said he will lead organized labor and cause-oriented groups in this week's industrial and transport strikke "in support of the national outcry against the recent oil price hike."

De la Serna, chairman of the House committee on human rights, said in a press statement the week-long mass action is aimed at pressuring Malacanang to roll back petroleum prices and overhaul the government's energy program.

He said several Cebu labor groups have vowed to cripple the city's industrial and transport operations to keep up the pressure on the government to adjust oil prices.

"In case a rollback to the Dec. 4 rates is not possible, Malacanang should at least draw up a comprehensive plan to help low-income workers cushion the blow of higher fuel prices," De la Serna said.

"The Energy Regulatory Board [ERB] could be the last nail in the coffin of this crises-ridden nation," the congressman said. "To us victims of Ruping [Typhoon Mike], the latest ERB order is a prescription to [as published] death and the least we could do is take to the streets and dramatize the folly of this anti-people ERB move."

De la Serna added that "no less than President Aquino herself should take full responsibility for this fuel pricing fiasco and she should be made to answer for the bunglings of her energy officials."

Meanwhile, workers and other sectors belonging to the People's Caucus, a broad coalition of militant multisectoral groups which led last October's Welga ng Bayan [nationwide strike], will hold a big rally at the Don Chino Roces bridge on Mendiola street and at the Senate building in Manila.

The same group will hold another rally at the Ugarte Park in Makati.

Leaders of the Caucus said that a nationwide noise barrage will be held on Wednesday and will continue until Friday.

Strike Fails To Paralyze Manila

HK1012113990 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 10 Dec 90

[Text] Transport service, particularly in Metro Manila, was not completely paralyzed during the nationwide strike by militant groups today. However, some routes were affected. They are Monumento, Avenida, and Santa Cruz-Baclaran. The 1 May Movement, the United Organization of Drivers Nationwide, and UGAT [expansion unknown] led the strike. But the Trade Union of the Philippines, Labor Advisory Consultative Council, Federation of Jeepney Operators, and Drivers Association of the Philippines did not support it.

Transport Strike Paralyzes Bicol

HK1012100990 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 10 Dec 90

[Report by Greg Reverente from DWCM-FM from Legazpi City—live]

[Text] Good afternoon. In Legazpi City, there was a 95 percent paralysis of transport and strikes in the transport as well as other sectors of society, particularly from the student sector headed by the coalition of students which is composed of the NUSP [expansion unknown], LFS [League of Filipino Students], and various university councils.

At present, there are a few buses on the road aside from army trucks plying the regular routes so that stranded commuters may get a ride. According to transport leaders here, they are not going to stop the strike unless the prices of gasoline are rolled back.

[Joe Taruc, anchorman] Greg, do we have any report on violent incidents in Albay?

[Reverente] Well, there have been no untoward incidents so far.

[Taruc] So, the strikes have been orderly and there have been no reported incidents of violence?

[Reverente] None, Joe.

Provinces Hit; Manila Normal

HK1012045090 Hong Kong AFP in English 0358 GMT 10 Dec 90

[Text] Manila, Dec 10 (AFP)—Transport strikes called to protest steep increases in oil prices paralyzed at least three Philippine provincial centers Monday but the strike apparently failed to take hold in Manila, witnesses said. At least two cities in the eastern region of Bicol were almost totally paralyzed by early morning, radio stations reported.

Local officials in Naga City were supporting the strike, called after the government raised pump prices by about 45 percent, radio station DZRH reported. Schools and some offices declared a holiday in Legazpi City as transport workers marched in the streets to demand a price roll-back, radio station DZXL reported.

About 95 percent of the mass transport system in the central island of Negros ground to a halt Monday, a transport association leader, Jessie Ortega, said in the provincial capital of Bacolod. Elementary and secondary school classes in Manila were suspended in anticipation of the transport strike, but transportation department spokesmen said traffic remained normal by mid-morning.

Left-wing groups called for demonstrations in the afternoon and a "noise barrage" Monday night.

President Corazon Aquino, reacting to a popular outcry, pledged on Sunday to make "changes" in her cabinet soon and to consider scaling down the oil price increases, which included a 133.37 percent hike in the price of premium gasoline. Energy Regulatory Board chairman Marcelo Fernando offered to resign Sunday following Mrs Aquino's remarks. In a letter to Mrs Aquino, published by the DAILY GLOBE newspaper Monday, Mr Fernando said the board's decision to raise oil prices was based on the government's instructions to "stop further subsidies to oil prices out of tax money."

If the government now thinks the abolition of the government subsidy on oil imports was still negotiable, last week's increases "will then be made to appear, contrary to fact, as reckless irresponsible and unilateral," he said.

Two Labor Leaders Assassinated at Convention

HK1012073590 Quezon City Radyo Ng Bayan in Tagalog 0645 GMT 10 Dec 90

[Report by Josette Olivera—live or recorded]

[Text] Two labor leaders were slain and a third injured when three unidentified armed men shot them this afternoon inside a building at the Ateneo de Manila University, where the Fifth National Convention of the Lakas Manggagawa Labor Center [Strength of the Worker Labor Center, LMLC] was being held in Quezon City.

Captain Renato Bugarin from Station 3 of the Central Police District identified one of the fatalities as Eduardo Federico, president of the Democratic Independent Workers Association, or DIWA, which is based in Bacolod. Federico, who sustained multiple gunshot wounds to the head and body, died on the spot. Another labor leader, Ernesto Gonzales, treasurer of DIWA, died as he was being rushed to the Heart Center. Gonzales sustained three gunshot wounds to the chest. Honorio Bulacao, president of the Cebu Alternative Workers Assembly, is currently being treated at the East Avenue Medical Center for two gunshot wounds to the foot and thigh.

It was learned that the shooting took place at 1145, during the national convention participants' lunchbreak. Federico's group was seated on a bench and was resting in the corridors of the Institute of Social Order of the Ateneo de Manila. The three suspects, armed with a .45 caliber gun and an armalite rifle approached the seated victims suddenly and opened fire on Federico. They immediately escaped in their getaway car and went out through the university's Gate 3, where they aimed their guns at the security guards. It was learned that the LMLC members, who were holding their fifth national convention and election of new officers, were alternate members of the Trade Union Congress of the Philippines and [word indistinct]. The LMLC comprises various labor sectors and is reported to have turned down participation in today's Welga ng Bayan [Nationwide Strike]. The authorities have not yet determined the motive and which group is responsible for the killing.

Rebels Release Ilocos Norte Mayor After 30 Days

BK0912141690 Hong Kong AFP in English 1356 GMT 9 Dec 90

[Text] Laoag, Philippines, Dec 9 (AFP)—Communist guerillas have released the mayor of a northern Philippine town who had been held in captivity for 30 days. Benjamin Madamba, the mayor of Nicolas town in Ilocos Norte Province, told reporters he was released by his captors on Saturday after a so-called "people's court" cleared him of graft charges. The pale-looking mayor said his family negotiated for his release and that no ransom was paid to the communist New People's Army (NPA) guerillas, who he said treated him well while in captivity. He was abducted at a rebel checkpoint on November 8.

Labor Groups Warned of Communist Infiltration

HK0712132890 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 7 Dec 90

[By Resty de Quiroz from Camp Aguinaldo]

[Text] Acting AFP [Armed Forces of the Philippines] chief of staff Major General Rodolfo Biazon issued a warning today to leaders of various organizations planning widespread mass actions for next week to be vigilant against the entry of infiltrators whose sole aim is to sow violence during protest actions. Biazon announced this warning based on intelligence reports which indicate that rebels plan to infiltrate the planned protest actions and sow chaos aimed at destabilizing the country. According to Biazon, aside from the National Capital Region Defense Command [NCRDC], other AFP units were under Blue Alert only; only the Metro Manila based NCRDC has been placed under Red Alert status, starting yesterday morning.

Biazon has left word with his field commanders to be patient with the demonstrators, more so if they are not going against law and order. Although Biazon admitted that the military was prepared for any contingency that may take place, he has ordered all field commanders to be on the alert for whatever plans the rebels may have. Biazon further added that police and military personnel were closely monitoring the two rebel groups' plans as well as providing tight security for all vital facilities in the country, including gasoline stations. He further explained that demonstrators found to be violent or sowing violence would face dispersal and arrest.

Thailand

Chatchai Granted Audience With King; To Resign

BK0812133290 Bangkok Army Television Channel 5 in Thai 1230 GMT 8 Dec 90

[Text] Our Chiang Mai-based correspondent Wasan Thangthamala reports that he has interviewed M.R. Khukrit Pramot at the latter's Rim Ping residence in Chiang Mai Province. The Social Action Party disclosed that Prime Minister Chatchai Chunhawan would certainly resign.

Today, the prime minister had an audience with His Majesty the King to submit his resignation as prime minister. A royal decree appointing a new government is expected to be issued tommorrow.

Tenders Resignation 8 Dec

BK0812150290 Bangkok Domestic Service in Thai 1420 GMT 8 Dec 90

[Prime Minister's Office 8 December Announcement on the Prime Minister's Resignation]

[Text] In connection with the royal decree dated 4 August 1988 appointing General Chatchai Chunhawan as prime minister, General Chatchai Chunhawan appreciates the kindness of his majesty the king. Now General Chatchai Chunhawan has paid obeisance to his majesty that he has performed his duty as the prime minister, administering the country with sincerity, honesty, intelligence, and ability, and sacrificing his personal health. He had taken into account the interests of the country and people as the highest aims, which have enabled its economic, social, and political development to progress for over two years. Now, some unexpected events have taken place in the country. Although General Chatchai Chunhawan, as the leader of the government, has tried his best to solve them in line with the Constitution, the situation has failed to improve. If the situation is allowed to continue, it will affect the democratic system with his majesty as the head of state, and will adversely affect the trust foreign countries have in the country and in the economy in the long term. For the interests of the country and the people as well as the Constitution of the Kingdom of Thailand, in accordance with the oath of allegiance General Chatchai Chunhawan had taken before his majesty the king when assuming premiership, General Chatchai Chunahawan, therefore, tenders his resignation as prime minister as of now. General Chatchai's status as prime minister is therefore terminated.

Announced on 8 December, 1990

General Chatchai Chunhawan, the prime minsiter

Discusses Future Government

BK0912101590 Bangkok Thai Color Television Channel 9 in Thai 0930 GMT 9 Dec 90

[Text] [Monitored in progress] Asked whether his resignation will help solve all the problems, General Chatchai replied that it could solve the problems. He thinks that the new government will have a good image. He said everything is currently progressing well and that he would like to take a rest.

Asked about the Solidarity Party's condition requiring three parties—the Chat Thai Party, Democrat Party, and Solidarity Party—to form the core of the new coalition government, General Chatchai Chunhawan said he still could not answer the question because they have not yet met on the issue. The principle in selecting the new cabinet lineup will be based on honesty and sincerity. When asked by the reporters whether this showed that the parties not joining the new government are dishonest, the caretaker prime minister answered: "Thank you for answering the question for me."

In terms of whether there will be a problem when the Muan Chon Party joins the opposition, he said that he had reached an understanding with Police Captain Chaloem Yubamrung.

Khukrit Says SAP Supports Chatchai as Premier

BK0812090990 Bangkok Army Television Channel 7 in Thai 0745 GMT 8 Dec 90

[Interview with M.R. Khukrit Pramot, leader of the Social Action Party, by TV Channel 7 reporter in Chiang Mai on 8 December—recorded]

[Text] [Reporter] [words indistinct] ...has resigned. Is it true?

[Khukrit] It's true. Today is the 8th [of December]. We are talking about what happens on the 8th. As you speak with me now, I think he has already resigned, has already submitted a letter of resignation.

[Reporter] What will the Social Action Party do?

[Khukrit] How can the Social Action Party do...? [laughter] It is up to the prime minister himself. It is his personal decision. No one has the right to prohibit him or stop him. But what the Social Action Party has done is that yesterday I wrote a letter to Parliament President Mr. Wan Chansu informing him that for the formation of a new government we support Khun Chatchai as prime minister. Our proposal is completely unconditional. We did not at all demand that he include our party in the new government. We honestly support him as the next prime minister.

[Reporter] [question indistinct]

[Khukrit] It must be certain. If not, it would be really awkward for us to write such a letter.

Ratsadon Party Confirms Support for Chatchai

BK0812070690 Bangkok Army Television Channel 7 in Thai 0502 GMT 8 Dec 90

[Text] Watthana Atsawahem, a senior member of the Ratsadon Party, said the party has issued a letter supporting Prime Minister General Chatchai Chunhawan to become the next prime minister whether Chatchai decides to reshuffle the Cabinet or resign from the prime minister's post.

Watthana, senior member of the Ratsadon Party and deputy interior minister, anticipated that the prime minister would make an important political decision within a day or two.

[Begin Watthana recording in progress] ...over possibilities of the prime minister's resignation or a Cabinet reshuffle. Now I would like to announce that the Ratsadon Party has already submitted a letter to the prime minister to inform him that the Ratsadon Party supports him as leader of the government and will continue to support him to become the next prime minister, whether there is a Cabinet reshuffle or a resignation by the prime minister. [end recording]

Solidarity Backs Chatchai, Unsure About Coalition

BK0912071890 Bangkok Army Television Channel 5 in Thai 0555 GMT 9 Dec 90

[Text] The Solidarity Party is holding a meeting at the house of the party's secretary general, Chaloemphan Siwikon, presumably to discuss the possibility of the party's joining the new government following the resignation of General Chatchai Chunhawan from the prime minister's post.

[Begin Chaloemphan recording] We would support Chatchai as prime minister, but whether our party will join the new government or not would depend on the conditions and the agreement on who else would join the government. It is not yet definite if we will join the government. However, we will support Chatchai. [end recording]

Party 'Does Not Rule Out' Joining Coalition

BK0912091890 Bangkok Army Television Channel 7 in Thai 0845 GMT 9 Dec 90

[Text] An opposition party—the Phalang Tham Party, under the leadership of Major General Chamlong Simuang—does not rule out the possibility of joining the government if it is approached and the conditions are satisfactory.

[Begin Chamlong recording in progress] [words indistinct] then we will have to call a meeting of our party. We will focus on how many parties will form a coalition government. As the Phalang Tham Party has said before, if there are too many parties, there will only be conflict like what has been going on recently. [end recording]

King Reappoints Chatchai Prime Minister

BK0912104490 Bangkok Army Television Channel 7 in Thai 1035 GMT 9 Dec 90

[Text] At 1635 [0935 GMT] today at Chitlada Palace, his majesty the king granted an audience to Parliament President Police Sub-Lieutenant Wan Chansu who forwarded a nomination proposing General Chatchai Chunhawan as the prime minister.

Wan Chansu told his majesty the king that six political parties have expressed their support for General Chatchai Chunhawan as the new prime minister. The king has graciously appointed General Chatchai Chunhawan as the prime minister following his resignation yesterday.

9 Dec Royal Command

BK0912114490 Bangkok Domestic Service in Thai 1120 GMT 9 Dec 90

[Royal command appointing the new prime minster—dated 9 December]

[Text] Royal Signature: Phumiphon Adunyadet, Rex

His Majesty the King Phumiphon Adunyadet has graciously ordered it to be proclaimed that, as General Chatchai Chunhawan has resigned as the prime minister and the status as prime minister of General Chunhawan is terminated, and the king, as he has been infomed by the president of the National Assembly that actions have been taken in accordance with the demoractic system, deems it appropriate that General Chatchai Chunhawan be entrusted to serve in the post of prime minister.

By virtue of Article 146 of the Constitution of the Kingdom of Thailand, his majesty the king graciously appoints General Chatchai Chunhawan as the prime minister to administer the country's affairs, effective immediately.

Announced on 9 December 1990, being the 45th year of the present reign

Countersigned: Police Sub-Lieutenant Wan Chansu, president of the National Assembly.

Chatchai Grants Interview

BK0912141390 Bangkok Domestic Service in Thai 1200 GMT 9 Dec 90

[Text] Prime Minister General Chatchai Chunhawan granted an interview to correspondents at his residence this evening after receiving the royal command reappointing him as prime minister.

[Begin recording] [Chatcahi] The most important issue is honesty. We will try to ensure that the Cabinet administers the country with honesty and with as much efficiency as possible because in the future we will have to face many competitors. As Thailand is an exporting country, it is necessary for us to be strict with the quality of our products. If you have any questions. Please raise them.

[Unidentified correspondent] How many days will it take you to form the government?

[Chatchai] I will form the government as soon as posible.

[Correspondent] How many parties will join the government?

[Chatchai] We have not discussed this issue yet.

[Correspondent] It has been reported that the Solidarity Party will join the government. Is this true?

[Chatchai] It is true. Just now, the television stations reported that Solidarity Party leader Narong would join the new government.

[Correspondent] How about the other parties?

[Chatchai] There will be several former coalition parties. I cannot give you the answer now. I will tell you later after we meet.

[Correspondent] The Muan Chon Party is reportedly not joining the government.

[Chatchai] Don't ask me about this right now.

[Correspondent] Will this government only have members of Parliament as ministers?

[Chatchai] If there are outsiders who possess good knowledge and ability, I would like to invite them to join the government.

[Correspondent] Do you intend to make big changes in the government to meet the people's needs.

[Chatchai] Yes. In the democratic system, we have to listen to the people and their needs, and, we have to follow them. We have to listen to the majority. This is what I have done all the time. I have made decisions on the basis of major public opinions that are beneficial to the country and the people.

[Correspondent] As the support for the government increases, do you think you will be able to complete the four year term?

[Chatchai] I do not know. This is an issue for the future. Please ask a fortune teller.

[Correspondent] Will there be any problems in allocating the quotas for ministers?

[Chatchai] There will be no problem. I have already allocated once and there was no problem.

[Correspondent] Will the quota of each party be reduced?

[Chatchai] I still cannot answer this question because I do not know what party will control which ministry. However, I will allocate the quota to each party fairly, by giving equal importance to them.

[Correspondent] Which party will be excluded from the coalition government?

[Chatchai] I still cannot say which parties will join. I will be able to give you the answers a few days later after we have held meetings.

[Correspondent] [Question indistinct].

[Chatchai] I will form the government as soon as possible because the paddy price problem is serious. We sympathize with the farmers. In fact, we have tried to help farmers by exempting tax on fertilizers and pesticides and by allowing the free import of these products. My previous government has dared to do what nobody has done before. We will continue to help the farmers.

[Correspondent] What about the salaries of civil servants?

[Chatchai] We have discussed this issue. As the cost of living and inflation have risen, it is necessary to help civil servants. We intended to help them, but my government had to resign. So, we will raise this as an urgent issue for consideration because it concerns the well-being of the people and the civil servants.

[Correspondent] The laborers have asked [word indistinct] for a reconsideration of the interest rates.

[Chatchai] Regarding the interest rate issue, we have to reach an understanding with bank borrowers. People do not understand when we talk about the 19 percent interest rate ceiling. In fact, the interest rate has been raised by only 0.5 percent at a time. And, any increase needs the approval of the Bank of Thailand. I think that this does not cause hardship. When we increase the interest rate by 0.5 percent foreign money will flow into our country. When our interest rates are high, they will deposit money in our country. But, if our interest rates are low, they will take their money out.

[Correspondent] Will you use an outsider to take charge of the finance portfolio?

[Chatchai] I cannot answer this question for a few days.

[Correspondent] Do you feel uncomfortable in forming the new government?

[Chatchai] I think it will be smooth because I have administered the country with honesty by taking into account the interest of the country and people. I have nothing to worry about.

[Correspondent] Have all the misunderstandings been settled?

[Chatchai] Yes, they have been cleared up. [end recording]

Spokesman on Reappointment

BK0912111190 Bangkok Army Television Channel 7 in Thai 1035 GMT 9 Dec 90

[Text] Suwit Yotmani, spokesman for the Prime Minister's Office, told reporters that six political parties have supported General Chatchai Chunhawan as the new prime minister. Chatchai will command the support of 297 votes in the House of Representatives, about 50 more than in the previous government.

Suwit Yotmani said the prime minister's decision to resign was not made under pressure from anyone, not even the military. He said that it would probably take a few days to form a new government.

[Begin Suwit recording] As for the next stage following the appointment, the prime minister will probably spend a few days consulting with leaders of political parties about their views on joining the government. This is another stage and one which will take considerable time. [end recording]

Chatchai Consults on Coalition

BK1012014190 Bangkok THE NATION in English 10 Dec 90 pp A1-A2

[Text] Gen Chatchai Chunhawan last night immediately held talks with key leaders of major political parties considered prospective partners in his new coalition after he was reappointed prime minister by his majesty the king.

The key question was whether Chatchai, who resigned on Saturday, would include the Solidarity Paty in the new government after Social Action Party [SAP] leader M.R. Khukrit Pramot threatened to withdraw SAP's support, saying the two parties could not possibly be in the same coalition.

But Khukrit, speaking to reporters in Chiang Mai, toned down his tough stand after he was assured by Chatchai on the phone that there would be "no problem" as far as the composition of the new coalition was concerned.

Khukrit did not elaborate and it was still unclear last night, as Chatchai sat down for a meeting with leaders of the Chat Thai, Social Action and Democrat parties, whether the Solidarity Party would be brought into his coalition.

Solidarity, the second largest party with 62 MPs, endorsed Chatchai's renomination as prime minister after it was assured a place in the new Cabinet line-up. After receiving the royal command giving him back the premiership, Chatchai confirmed that Solidarity would join his Cabinet.

Khukrit was initially visibly angry when informed of Chatchai's intention and declared that SAP would not be in the coalition.

Chatchai said in addition to the Solidarity, "many" of the seven parties in his former government would remain in the new one. But he declined to name them, saying that it would depend on the ongoing negotiations.

Although Chatchai had the written support of all seven parties plus Solidarity for his renomination, Parliament President Wan Chansu attached the names of only 297 MPs from six parties on the list of support when he was granted an audience with his majesty the king yesterday afternoon.

Wan omitted the Muan Chon Party of Police Captain Chaloem Yubamrung and the United Democratic Party of Col Phon Roengprasoetwith, two small parties in the last coalition.

Chatchai met with SAP secretary general Montri Phongphanit, Democrat secretary general Maj Gen Sanan Khachonprasat, Democrat deputy leader Prachuap Chaiyasan and Banhan Sinlapa-acha, the secretary general of his Chat Thai Party, at his Ratchakhru home to discuss the new Cabinet. Chatchai later left for dinner at the Hilton International Hotel with his advisers and Banhan.

Speaking to reporters after dinner, Banhan said "no agreement" on the new Cabinet was reached last night.

"I think we should be able to agree on something within the next few days," he said but declined to comment on the question of Solidarity or on Khukrit's threat.

Chatchai and Banhan later returned to Ratchakhru where the other party leaders were still waiting.

In Chiang Mai, Khukrit said that a coalition with the Solidarity as member would fall within a year and threatened to withdraw his party's support for Chatchai.

Khukrit spoke to reporters at his Rim Ping house right after being briefed by Montri on the latest political development on the phone. The contact took place before Montri was to meet Chatchai last night.

Khukrit faulted Solidarity for not having pledged consistent support for Chatchai's continued leadership. The party was openly critical of the last Chatchai government.

Describing as strange the premier's plan to bring Solidarity into his new government, Khukrit said if the premier did so without consulting with former government partners, it would be a serious mistake.

"I have supported the government for more than two years and if he did this to me, we just cannot stay together. I am not saying this out of hatred but simply because he was breaking principles. If we stay on, we won't feel happy," he said.

The SAP leader said his party was ready to be in the Opposition. "We have been ready for this for a long time," he added.

A Chatchai government with Solidarity would be in greater turmoil than one without it because the public would lose confidence in the administration, he argued.

"The government with Solidarity won't be able to make a year, not to mention the rest of the term," he said.

"It's impossible for the premier to overcome his political difficulties by bringing in a troublemaker. I don't believe that the move would help the country," he said in an interview that was also broadcast on television.

A short while later, Chatchai called Khukrit from Bangkok and was quoted as telling him that he should not worry about the formation of a new Cabinet.

"The prime minister told me to take a rest and that there is no problem in forming a government," Khukrit said.

Khukrit did not say whether he discussed with Chatchai the question of Solidarity. But when asked whether he expected to see any of the former opposition parties in the new Cabinet line-up, Khukrit said: "The support from the former coalition parties seems enough."

The former premier said he believed the new government would have a better image. He also said he saw no conflicts emerging between the premier minister and the military.

Earlier yesterday, the Chat Thai Party's Kon Thappharangsi and Banhan reconfirmed the standing agreement which Chat Thai concluded with the Solidarity party on Dec 5.

In essence the agreement had it that only three parties would form the core of the new Cabinet: Chat Thai (96 MPs), Democrat (48) and Solidarity (62). However, Ratsadon (21) and Puangchon Chaothai (17) may supplement the ruling coalition.

Under the formula, each party would receive one Cabinet post for each group of 5-6 MPs it has. That would give Chat Thai 17 posts, Solidarity 11, the Democrat 8, Ratsadon 4, and Puangchon 3.

But another Cabinet formula later came up based on the assumption that SAP would also be in the Cabinet along with the five parties. The six-party composition would give Chat Thai 15 Cabinet posts, Solidarity 9, SAP 8, the Democrat 7, Ratsadon 3 and Puangchon 2.

Solidarity sources said that they were confident that their party would become part of the new coalition. But they said that exactly how many posts the party would get was still uncertain.

Some proposed the idea that the Cabinet posts given to the party should be divided to four factions which disbanded their old parties and merged together in 1989. The four factions formerly belonged to Narong Wongwan's defunct Ruam Thai Party (with 35 MPs), Bunchu Rotchanasathian Community Action Party (9), Uthai Phimchaichon's Progressive Party (8), and Chaloemphan Sriwikon's Prachachon Party (10).

Army Source Warns of 'Peaceful Coup'

BK1012020390 Bangkok THE NATION in English 10 Dec 90 p A2

[Text] An army source warned of a "peaceful coup" yesterday while army radio broadcast the content of a newspaper article saying a new government to be formed by Gen Chatchai Chunhawan was like "fish in the same old basket", which could not solve the country's problems.

"Politicians are struggling to buy time. People do not care anymore what the new government will look like. It's just fish in the same old basket," the For the Thai Nation radio programme quoted the article from EKKALAK daily as saying.

The broadcast came despite reappointed Prime Minister Chatchai Chunhawan's statement that he had cleared up any misunderstandings with the military.

The radio programme is put out by the Supreme Command's information office.

The army source said the military had been ordered to be "on full alert" while political parties' leaders negotiate a new Cabinet line-up.

The source, who asked not to be named, also said the armed forces would be prepared for any "political turmoil" that could result from squabbles over Cabinet seats. He did not elaborate.

He said troops "in important areas" had been ordered to remain in their units until the new coalition was formed.

He added that military leaders were "keeping a close watch on the formation of the new Cabinet" although all them have declined public comment on the political situation.

The military leaders want to see if the new Chatchai administration is going to have new faces that could improve the administration's image, the source said.

"But the military will adopt a wait-and-see attitude even if old faces including (military arch-enemy) Chaloem Yubamrung are retained in the government," the source said.

"We will wait and watch the current situation and see what the public thinks. If the political situation reaches a critical point and the people can no longer stand it, we will have to keep order.

"Our move could be called a coup but in fact no violent means such as tanks would be used," the source said.

But he did not say how military leaders would judge a "critical point" or how they could know whether the public wanted the military to step in.

Chatchai Meets Army Chief, To Drop Chaloem

BK0912105890 Hong Kong AFP in English 1046 GMT 9 Dec 90

[Excerpts] Bangkok, Dec 9 (AFP)—Thai Prime Minister Chatchai Chunhawan, who resigned Saturday, pledged Sunday to set up a new government formed with Cabinet members "with clean hands and clean records." [passage omitted]

In his earlier separate interview with reporters, Mr. Chatchai said he had conferred Sunday with powerful Army chief General Suchinda Khraprayun.

When asked what criteria he would retain for a cabinet lineup, the 71-year-old Thai leader, who resigned in the face of mounting political tension, said "I will be looking for those with clean hands and clean records."

Mr Chatchai was responding to widespread charges of corruption against his outgoing team.

The accusations have been insistently aired against the government by the powerful military establishment, which retains strong influence in Thai politics.

Mr. Chatchai said he had earlier talked over the telephone with Gen. Suchinda, Thailand's most powerful military commander. He did not disclose the content of the conversation, but told reporters that, if reappointed, he would not include in his government a controversial minister who has been at the center of the military establishment's dissatisfaction with the government.

Chaloem Yubamrung, deputy education minister in the outgoing Chatchai administration, "will be excluded," he said.

"I have discussed this with Mr. Chaloem and he seems to be alright on this matter," Mr. Chatchai added.

But Mr. Chatchai firmly rejected suggestions his resignation might have been prompted by pressure from the military.

Mr. Chatchai, who returned to his Bangkok home after a game of golf at the Bangpoo Country Club, said discussions for the final composition of his government were to start "in a few days."

"At this point, what I need is some rest," he added.

Premier: No Military Pressure on Resignation

BK1012021790 Bangkok BANGKOK POST in English 10 Dec 90 p 1

[Text] Prime Minister Chatchai Chunhawan yesterday said the military had not pressured him into resigning and he has reached an understanding with Army chief Gen Suchinda Khraphrayun.

Speaking to reporters at the Bangpu golf course, where he had lunch with his advisers, Gen Chatchai, who had not been reappointed at that time, said the military had not pressured him at all and in fact had been very cooperative.

"I have met Gen Suchinda and reached an understanding with him. I have also talked to him on the telephone just now. The military was not involved in the resignation. I resigned on my own reckoning," Gen Chatchai said.

Asked if the military will be satisfied with the new Government, Gen Chatchai said it should because "the new Government will not have Mr Chaloem (Yubambrung) in it."

He said the matter involving the conflict between the Muan Chon Party leader and the military has ended and should no longer be talked about.

Asked if the new Government would resolve the image problem of the last one, Gen Chatchai replied: "Certainly. It's normal for a new Government to be better."

Former government spokesman Dr Suwit Yotmani said the words "unwanted conditions," which were used in Gen Chatchai's resignation announcement, were a reference to the stalled economic situation as a result of the Gulf crisis and not to any pressure by the military.

Dr Suwit said Gen Chatchai had resigned also because various uncertainties and political confusion had affected the stability of the Government.

"Since Gen Chatchai tried to solve these problems but could not solve them well enough, he decided to resign," Dr Suwit said.

Suwit Says Six Major Parties Support Chatchai

BK0912143190 Bangkok Domestic Service in Thai 1200 GMT 9 December 90

[Text] Suwit Yotmani, spokesman for the Prime Minister's office, told reporters at the prime minister's residence at 1600 that six major political parties have supported the reappointment of General Chatchai Chunhawan as prime minister. They are the Chat Thai Party, the Democrat Party, Social Action Party, Ratsadon Party, Puanchon Chao Thai Party, and the Solidarity Party, which comprise 297 votes in the House of Representatives.

Regarding the formation of the new government following the issuance of the royal command, it will take the prime minister some time to consult with party leaders supporting him on forming a government—a lot of time to thoroughly consider the issue; however, the prime minister will try to form the new government as soon as possible.

Suwit Yotmani, spokesman for the Prime Minister's Office, said General Chatchai Chunhawan had stressed that after he had been graciously reappointed as prime minister, he would carry out his duty in administrating the country with honesty and would work to meet the people's needs promptly and thoroughly.

Social Action Party's Khukrit Gives Ultimatum

BK0912013990 Bangkok BANGKOK POST in English 9 Dec 90 p 1

[Text] Chiang Mai—Social Action Party [SAP] leader Khukrit Pramot said yesterday that if the Solidarity Party is to be taken in as the core for forming the next government and SAP has no say in it, then the party will pull out of the coalition.

M.R. Khukrit told the BANGKOK POST that his party is not "something to be bought and sold in the market" and if Solidarity was included as the core of the coalition, while SAP could not have a say in the formation of the next government, then it would protect its honour and go into opposition.

He said SAP did not see the problem as being whether Solidarity would join the coalition or SAP would be taken out.

"Everything has developed to the point where the question is who will be the one to form the next government. If the criteria and conditions are focussed on Solidarity then Solidarity will form a government and not Chatchai Chunhawan. If it is like that then SAP can say that we will not be involved with it," M.R. Khukrit said.

SAP, he said, was only concerned with whether or not it would have a role in setting up the next government.

He added: "SAP does not want to be involved with anyone who does things with SAP not having any knowledge of them."

However, M.R. Khukrit reiterated that SAP would still back Gen Chatchai to be reappointed prime minister. He said that the party had already notified Parliament President Wan Chansu of its unconditional support to have Gen Chatchai returned to the premiership to form the new government.

Ratsadon Confirms Membership in New Government

BK1012082290 Bangkok Domestic Service in Thai 0530 GMT 10 Dec 90

[Text] General Mana Rattanakoset, secretary general of the Ratsadon Party, told reporters that there is no problem with the party joining the new government. It is up to the prime minister. On the question of how many parties would be in the coalition, the prime minister has already mentioned that before, he said.

Watthana Atsawahem, deputy leader of the Ratsadon Party, reported that the party has already been contacted and has confirmed that it is joining the government. The forming of the government is the right and the duty of the prime minister to consider. Asked if there will be any problem with the party if the size of the quota of ministers for Ratsadon is reduced, because there may be more parties joining the coalition, Watthana said that the quota is not a problem, it is negotiable and would also depend on the prime minister.

Banhan Comments on Stability of New Coalition

BK1012080190 Bangkok Domestic Service in Thai 0530 GMT 10 Dec 90

[Text] Banhan Sinlapa-acha, secretary general of the Chat Thai Party, stated that six political parties constituting a total of 297 votes support Prime Minister General Chatchai Chunhawan to form the new government. He said the new coalition will include the Solidarity Party and there should not be any problem, because understanding has been reached on the particular point in question. The quotas of ministers for the parties will be based on the total numbers of MPs [members of Parliament] of each coalition party. That is the total 297 votes will be divided by the total number of 44 ministerial posts in the cabinet. Then each party will know the number of its porfolios. Each party will decide among themselves as to who will be ministers. The consultations among the coalition parties and the prime minister will take place tomorrow, he said.

Asked how stable would a government comprising 297 votes be, he commented that it would be very stable. He added that the knowledgeable and capable persons will be selected as cabinet members. He believed the formation of the new government would be completed soon and efforts will be exerted to make the government survive a full term.

Asked if it is true that the Social Action Party [SAP] would not join the government if the Solidarity Party was included, Banhan said it is not true.

Daily Calls Chatchai Reshuffle 'Grave Mistake'

BK1012024390 Bangkok THE NATION in English 10 Dec 90 p A8

[Editorial: "No Improvement in Sight"]

[Text] To Gen Chatchai Chunhawan, his inability to effect a major Cabinet reshuffle was "undesirable", so he tendered his resignation as prime minister to remedy the situation.

In his formal resignation announcement, Chatchai correctly pointed out that if the situation continued to worsen, it would disrupt democracy, cause long-term damage to Thailand's credibility and seriously hurt the economy.

But he made a grave mistake in assuming that with a freer hand to form a new coalition government, he will be able to form a more respectable Cabinet.

It is an open secret that Chatchai and his men secured written endorsement from at least six major parties, including Solidarity—with 62 MPs, the largest party in the Opposition—to renominate him for the premiership.

This and his formal resignation were merely tactics to increase his own bargaining power with other political heavyweights in forming a new coalition.

Before his resignation, Chatchai's plan for a major Cabinet reshuffle was frustrated by the resistance of influential figures within his Chat Thai Party and M.R. Khukrit Pramot, leader of the Social Action Party. Even Muan Chon party leader Chaloem Yubamrung apparently refused to cooperate; he wanted to hang tough and ignored suggestions from coalition partners that he should resign to help Chatchai patch up his strained relations with the military.

Now Chatchai, who was reappointed last night as prime minister, intends to drop Chaloem, and probably exclude SAP as well. After telling Army chief Gen Suchinda Khraprayun on the phone about his intention to boot Chaloem, Chatchai unilaterally declared the end of his "cold war" with the military.

However, Chaloem and the confrontation between Chatchai and the military were only part of the "undesirable situation". As a matter of fact, they were consequences of the problem, not the sources of it.

The main source of the problem is Chatchai himself. The 71-year-old politician lacks virtually everything he needs to be an effective national leader. He has no real control of his party, whose 96 MPs are divided into several factions. Chatchai had to rely chiefly on party secretary general Banhan Sinlapa-acha to prop him up. In return for his crucial service, Banhan demanded and received the powerful post of interior minister, from which he refused to budge after it became apparent that Chatchai was trying to "kick him upstairs", to a deputy premier's post.

Chatchai also has little or no control on the other coalition parties and their ministers. Chaloem was a clear, and embarrassing, case in point. The lack of control was largely due to the "quota" system in which Cabinet posts were distributed to coalition parties based on the number of their MPs; the rate was roughly 5-6 MPs per 1 Cabinet post in the last administration. The leadership of each of the parties filled the posts with their own nominees, who naturally owed their allegiance to their own party leaders (or faction leaders as in the case of Chat Thai)—but not to Chatchai.

Under the "quota" system collective responsibility was nonexistent. At the same time Chatchai also denied responsibility for any wrongdoing by his Cabinet members. A deputy interior minister and a deputy commerce minister, both from SAP, had to be sacked following corruption scandals. But Chatchai floated away. Corruption was "no problem" as far as he was concerned if nobody could produce "cash receipts" of kickbacks.

Surprisingly, Chatchai declared after his reappointment to the premiership last night that "honesty" would be the main criterion in selecting the new Cabinet members. But where is he going to find "honest" people to fill his new Cabinet when most of the same old influential politicians are demanding a piece of the pie? The three "outsiders" appointed last August to improve the image of the last Cabinet may even have to be dropped so that there will be enough ministerial posts to go around for all the "suitable" politicians.

Solidarity alone thinks it has at least eight top politicians who are qualified for posts—which must include the finance, commerce and agriculture portfolios. Only last Friday Solidarity leaders were clamouring about a rally at Sanam Luang to "expose" major corruption cases involving the Chatchai administration. The rally, scheduled for tomorrow, has been cancelled now that Solidarity was among the six major parties endorsing Chatchai's reappointment. Such a complete reversal of stand in just a few days revealed the true opportunistic character of this party.

By blaming everyone else except himself for the "undesirable situation," Chatchai once again ventured into the same old rut of scheming to keep his political rivals at bay and placating his influential backers so that he can stay in power as long as possible.

For Chatchai, clinging to power is an end in itself. With him back at the helm of the ship of state, running aground again is only a matter of time, perhaps within a few months. Chatchai called his new coalition "Chatchai 2". But this is most probably his last. Our country deserves far better leadership than Chatchai is capable of giving.

Vietnam

Nguyen Co Thach Discusses Cambodian Agreement

BK1012091890 Hong Kong AFP in English 0910 GMT 10 Dec 90

[Text] Hanoi, Dec 10 (AFP)—Vietnam will not sign a peace agreement on Cambodia that contravenes the UN Charter, Foreign Minister Nguyen Co Thach said Monday.

"The Cambodian factions can agree among themselves on the peace plan of the five permanent members of the United Nations (Security Council), but Vietnam will not sign an accord that violates the United Nations Charter on the sovereignty of member states," Mr. Thach said at a private function.

The remark came as Phnom Penh Premier Hun Sen arrived here Monday afternoon for meetings with Vietnamese authorities to discuss the UN plan, forged in Paris last month by the United States, the Soviet Union, Britain, China and France.

Mr. Thach said some measures of the plan, which gives major powers to the United Nations to administer Cambodia during a transition period ahead of elections, go against the UN Charter and could have serious consequences.

Phnom Penh and its Vietnamese allies fear that endowing the United Nations with too great administrative powers during the transitional period could lead to the dismantling of the Phnom Penh government, which they say is the only force capable of preventing the return to power of the Khmer Rouge.

The radical Marxist group, which killed hundreds of thousands during its four-year rule of Cambodia, has emerged as the strongest of three guerrilla groups fighting the Phnom Penh government since Vietnamese troops ousted it from power in January 1979.

Phnom Penh administration and the resistance factions, should not be considered a new government. [sentence as received]

The SNC, which was formed in September to represent Cambodian sovereignty until elections can be completed, is currently deadlocked by a dispute over its own leadership and composition.

Phnom Penh has agreed to accept resistance leader Prince Norodom Sihanouk as the SNC chairman if Mr. Hun Sen is named vice-chairman, a condition the resistance rejects.

Mr. Hun Sen's visit is to last a few days, diplomats said.

Further on National Assembly Session

Session Continues 7 Dec

BK0812095890 Hanoi International Service in English 1000 GMT 7 Dec 90

[Text] The eighth session of the current legislature of the National Assembly continued its work on Friday at the Ba Dinh Conference Hall.

In the morning, the deputies heard a report by Mr. Nong Duc Manh, vice president of the Council for Nationalities, on the situation in the mountain regions and the ethnic minorities; a report by Madame Ngo Ba Thanh, president of the Judiciary Committee, on anticorruption and smuggling; and other reports.

In the afternoon, the deputies discussed the strategy for socioeconomic stabilization and development in Vietnam till the year 2000, orientations for socioeconomic development in the period from 1991 to 1995.

On Saturday, the deputies will work in groups to discuss reports delivered at the meeting.

Group Discussions Held 8 Dec

BK0812101290 Hanoi Domestic Service in Vietnamese 0500 GMT 8 Dec 90

[Text] On the fourth working day of the eighth National Assembly today, 8 December, the deputies continued their group discussions on our country's economic development strategy to the year 2000 and the orientations, tasks, and main objectives of the five-year 1991-95 socioeconomic development program.

In their discussions, the deputies evaluated and analyzed achievements as well as outstanding issues and their causes, and guidance and management by all sectors and echelons in implementing the various programs in accordance with the renovation line.

The deputies also focused on the bases for fulfilling the main objectives of industrial and agricultural production and import-export; market demand; the need for equipment and raw materials; capital construction investment; incentive policies for production; policies for scientific-technical development and cadre training; and social issues such as unemployment problems, the betterment of living standards, development and improvement of cultural and educational activities, public healthcare, and so forth.

The deputies will continue their group discussions this afternoon.

More on 8 Dec Discussions

BK1012085590 Hanoi Domestic Service in Vietnamese 1100 GMT 9 Dec 90

[Station correspondent Kim Cuc reportage on National Assembly deputies' group discussions on 8 December—portions recorded]

[Summary] On 8 December, National Assembly deputies held group discussions on the strategy of socioeconomic stabilization up to the year 2000 and the orientations and socioeocnomic objectives of the 1991-95 plan.

"With a serious work attitude and a high sense of responsibility, the deputies contributed numerous suggestions to various socioeconomic issues. Concerning agriculture, many deputies fully agreed with the Council of Ministers' assessment of the results already obtained on the grain production front. They especially appreciated the fact that there had been a surplus of nearly 1.5 million tonnes of rice for export, a highly significant amount that testified to the renovation of the all-round agricultural development in our country."

Nguyen Nhieu Coc, deputy from Ha Son Binh Province, said:

[Begin recording] "We deputies from Ha Son Binh fully agree with the Council of Ministers' report presented by Vice Chairman Vo Van Kiet to the National Assembly. Taking our local conditions into consideration, we think that the report is very realistic owing to several points. For example, our grain production has ceaselessly increased with a record output of 580,000 tonnes last year—a peak year—owing to a bumper crop favored by good weather conditions. This year, an average year, we produced 560,000 tonnes. So, we can see that there has been progress in the field of grain production, and output has unceasingly increased over the previous years. We hold that these achievements are due to the joint efforts of both the central and local level under the leadership of the party and state. The progress is also due to the fact that the official policy conforms to the people's aspiration.

"As for our weaknesses and deficiencies, there have been many causes. One of them is that some policies have not yet been totally suited to reality. For example, we realize that signing contracts with households in production and considering the household as an autonomous economic unit as advocated by the sixth plenum of the party Central Committee is a correct policy. However, we have failed to define and specify the content and scale of the household as an economic unit. In our opinion, the concept that the household as an autonomous economic unit should depend on its own labor power and that all household economic activities should be limited to what a household can do, is correct policy, but it makes for a rather narrow production relationship. As a matter of fact, at present we are being hamstrung in production because this policy has not made it clear whether the household, which should rely mainly on its own workforce, is allowed to sign contracts with the surplus labor in society to make up for its manpower shortage and expand production. At present, there is still confusion on this point. We think that, if measures are adopted to allow households in the delta to engage in production and processing and to develop various branches and professions, while households in the mountain areas are permitted to develop their gardens into forest orchards, forest farms for industrial crop cultivation, on a scale exceeding that of a unit having to depend only on its own household manpower, and if a liberal policy on production organization is applied, we will certainly be able to mobilize the still considerable potentials of the people." [end recording]

The deputies from Quang Nam-Danang, Cuu Long, and Ben Tre Provinces, and Ho Chi Minh City agreed with the Council of Ministers' appraisal of the implementation of the 1990 plan. The deputies also discussed many other issues, such as the banking sector, the causes of the collapse of the trust funds, capital mobilization, the development of the multisectoral economy, tax collection, and so forth.

"Comrade Ho Minh Man, deputy from Cuu Long Province, said that although there still is an abundant source of capital among the people, we have not been able to exploit it to any significant degree because of the low bank interest rates. Comrade Le Cong Cu, deputy from Quang Nam-Danang, also held that there remain numerous difficulties in the mobilization of capital among the people and that the state should study this issue further to obtain capital from the people for economic development."

Following are the views of Dao Thi Dieu, deputy from Cuu Long Province, on the Council of Ministers' report:

[Begin recording] "I agree with Comrade Vo Van Kiet's appraisal of the situation. Basically, the assessment is not off the mark. Yet there is something that worries me. For example, first of all, on the plus side, I agree that we have done well in some areas in agriculture, industry, and export. But the reasons for these achievements have not been clearly stated. We must sum up these reasons and bring them into full play. I think that, had we not been able to bring into full play the right to autonomy of the peasants in agricultural production in the past two years, it was not sure we could have achieved such a great volume of grain output. The Council of Ministers should review these facts to determine what made the people contribute their best efforts and zealously exploit the existing latent potentials of our country." [end recording]

"Deputies agreed with the Council of Ministers' remark that fulfillment of the economic tasks would create material and financial conditions for the fulfillment of the social tasks. By the same token, a satisfactory solution for social problems would help production surmount various obstacles and develop."

Concerning health care, culture, and education, all opinions expressed by deputies pointed to the attention paid by the party and state to these fields and to the concentration of capital for their development. However, these services still face many difficulties, especially in the mountain and remote areas. In several northern mountain provinces, educational establishments have deteriorated, large numbers of students have dropped out, and teachers have faced numerous difficulties in their daily life.

"Many deputies contended that the state should concentrate more investment for education in the highlands and remote areas, the homes of large numbers of ethnic minorities. Dealing with education, many deputies also raised the question of the state allowing the opening of private schools to help reduce state expenditures."

We met with Tran Hong Quan, minister of education and training, a deputy from Ho Chi Minh City, to exchange views on some issues concerning education. Minister Tran Hong Quan said:

[Begin recording] "The question of opening private schools has been raised by several deputies who consider it as a way to resolve the difficulties of our educational sector. In my opinion, this is the right direction to follow. On this matter, the Council of Ministers has adopted a policy, and we are working out plans for its approval. In reality, a number of private school have been opened in some provinces and cities. However, these schools have encountered many difficulties. Because our people are poor, if school fees are set too high, they will not be able to afford them; but if the fees are too low, the school will not have enough money to cover their expenses. We are studying another form of school, namely the semi-private school. We think that this form has brighter prospects. It requires that the state provide the initial investment for the building of schools and the purchase of equipment. The whole property would be turned over to the school management, which will collect school fees and other kinds of contributions by the people to pay teachers and cover other costs of education and training. Even if this formula is applied, there still are some social problems that we should continue to study and resolve when we tranform some public schools into semi-private schools.

"With regard to the problem of eradicating illiteracy, although our country is not regarded as underdeveloped in education and health care, but the existence of a number of illiterate people is still a painful problem. This is a very hard nut to crack. A great many countries still have a much higher rate of illiteracy than ours. But, as a socialist country, it pains us tremendously to have allowed such a high rate of illiteracy to persist. We must have great resolve and set our priorities right to solve this problem. We think that our anti-illiteracy efforts must be concentrated on a priority basis on the areas afflicted by a high rate of illiteracy, especially the mountain and remote areas. As for the objects of our efforts, we must also have the right priorities. First of all, priority must be given to illiterate civil servants in various localities, government cadres, young people, and so forth. Concerning the budget, we must also devote the bulk of it to anti-illiteracy efforts in the above-cited areas for the benefit of the people having priority, instead of spreading it out evenly as we are doing at present." [end recording]

Le Quang Dao Meets Deputies

BK1012034790 Hanoi Domestic Service in Vietnamese 2300 GMT 9 Dec 90

[Text] After two days of holding group discussions, National Assembly Chairman Le Quang Dao met with the heads of various deputies delegations on the afternoon of 9 December to be briefed on the results of their debate on the socioeconomic tasks; the state budget; the reports by the court of law sector, the people's organ of control sector, and the Foreign Ministry; the strategy of socioeconomic stabilization up to the year 2000; and the orientations and plan of socioeconomic development for 1991-95.

Chairman Le Quang Dao expressed his views on the issues under discussion and suggested that the National Assembly bring them up for general debate at the Ba Dinh Conference Hall.

Today, the National Assembly session will begin its fifth working day by discussing the socioeconomic tasks and state budget at the Ba Dinh Conference Hall.

Groups Meet 10 Dec

BK1012060090 Hanoi Domestic Service in Vietnamese 0500 GMT 10 Dec 90

[Text] Today, 10 December, the Eighth National Assembly's eighth session entered its fifth day. National Assembly deputies continued their group discussion on the draft strategy of socieoconomic stabilization and development up to the year 2000 and on orientations and tasks for the 1991-95 5-year socioeconomic development plan.

Many groups debated and analyzed achievements and shortcomings in the socioeconomic development program as well as orientations and measures for agricultural and industrial production development. Many deputies discussed the issues of export-import; marketing; supply of materials, raw materials, and capital for consumer goods production; and policies on encouraging production especially agricultural production. They also discussed issues related to the unemployment problem, improving the people's daily life, as well as measures to help families of the fallen soldiers, improve training of the contingent of cadres, and enhance education and public health services especially for the mountain regions.

This afternoon, National Assembly deputies will continue their group meeting to discuss the orientations and tasks for the 1991-95 5-year socioeconomic development program and the implementation of the 1991 state plan.

Further on Draft Socioeconomic Strategy

BK0712124590 Hanoi Domestic Service in Vietnamese 1430 GMT 3 Dec 90

["Draft strategy of socioeconomic stabilization and development up to the year 2000"—last of five installments. First installment published in the 6 December East Asia DAILY REPORT; installments two through four published in the 7 December East Asia DAILY REPORT.]

[Text] Finance and Money

In developing the commodity-based economy, finance and money are the most important managerial tools for accumulation and effective use of capital, redistribution of national income, balancing state budget as well as supply and demand, stabilizing money circulation, and ensuring money's purchasing power. The state must satisfactorily collect taxes, formulate a unified budgetary system, authorize echelons to manage the state budget, formulate policies on spending and saving, establish national reserve funds, and rationally strengthen the reserve structure of the economy. We must strive to improve the banking system, charge the state bank with more functions and responsibility to manage and circulate money and to control capital and currencies. Specialized banks should be developed in various aspects, especially in business, credit, and banking services in accordance with the agreed upon interest rates and must be put under the control of the state bank. We must consistently implement the price and market mechanism. The state must apply economic measures to effect supply and demand in the market so as to stabilize prices. It should directly fix prices of only a few kinds of monopolistic and essential goods and formulate policy on ensuring prices for agricultural products and consumer goods.

Regarding the Law

It is essential to renovate the pattern of formulating and promulgating law to meet the requirements of socioeconomic management. We must protect the systematic nature of the law and other legal documents and make sure that they conform with international law and practices. We must urgently formulate the law on business, the labor law, the insurance law, and the law on protection of the environment. We must disseminate all laws to the people, encourage all forms of legal services, perfect the control mechanism and strictly enforce the law, and set up an economic court to replace economic arbitration.

2. [number as heard] To undertake the division of management responsibilities between the central and local administrations and the combination of branch management and territory management.

Echelons of the administration must implement the state management function on the basis of the unified law, policy, and socioeconomic plan. These echelons manage part of the assets owned by the people and are responsible for protecting and developing these assets.

State budget is a unified system involving revenue collection and expenditure. We must not undertake the division of revenue collection and expenditure in correlation with managerial responsibility of each administrative echelon. Percentage of collected revenue kept by echelons at production and business establishments was uniformly fixed regardless of levels of managerial echelons. It is essential to eliminate the division of annexation in economic management in general and in budget management, in particular. It is also necessary to stop discrimination between the central and local economies.

Various ministries must impose their managerial functions over all economic units and economic-technical activities of all economic components. These functions include the formulation of strategy, planning, development plan, management of science and industry, and designing and controlling the implementation of policies and regulations on management and on training of cadres. It is essential to reduce intermediate links, streamline the management mechanism, and enhance the efficacy of state management of ministries in carrying out their activities.

People's committees of various echelons must exercise their state management functions in socioeconomic activities, especially in their regions regardless of the ownership relations, strive to strictly enforce the law and improve the people's daily life, build infrastructure for production and society in their localities, while striving to consolidate national security and defense.

We should streamline the machinery of the people's committee at all levels in conformity with that managerial function, reduce the number of economic and administrative management echelons from the central down to village and hamlet levels, and systematically carry out the administrative reform to involve all fields from institutions to the organization of machinery and cadres from the central down to local government agencies.

3. We should implement the system of autonomy in production and business of state installations. State enterprises are responsible for conserving and developing the state-allocated funds, ensuring the interests of workers and civil servants, paying taxes and implementing the state-prescribed duties, including the implementation of state assigned norms and regulations when deemed necessary.

The state must give some guarantee for enterprises to adequately implement their rights, actively organize production and business according to the state assigned duties and within the legal framework, be independent financially, recruit, place and lay off workers according to the labor code, initiate domestic and foreign trade relations, and select on their own the various forms of alliance and joint venture with other economic units without being restricted by administrative boundaries.

Along with developing vigorously the various forms of enterprises and stock companies, we should manage state enterprises according to the system of management boards which represents property owners and collectivized workers and employees in the enterprises. Managing directors of enterprises are selected by the management boards. The operations in enterprises are regularly supervised and controlled by management boards and directors.

According to the new system, we should establish appropriate funds for party and mass organizations of state-run economic units.

4. Renovation of Cadre Tasks.

We should basically renovate the cadre tasks in keeping with the new system for the management of multisectoral commodity economy and prescribe criteria for each function and position of economic management cadre in the state machinery at all levels which serve as a basis for planning, selecting, placing, and training cadres. As regards those state management cadres elected by the people, their qualifications for election must include quality, knowledge, and necessary ability to assume their responsibilities once they are elected.

We must resolutely screen out those cadres who are corrupt and oppress the people, promptly replace incompetent ones, form groups of skilled businessmen of various statures from the chiefs of family-based economy to the managers of large business companies and corporations, create an environment for capable businessmen to bring into play their ability, and promptly implement a system for properly remunerating contractual business cadres commensurately with their contributions and business efficiency, and for dismissing and impeaching them if they fail to fully honor their contracts.

Several appropriate organizational forms must be developed to conduct basic, refresher, and advanced training of state management and business cadres and businessmen of various economic sectors, to catch up with the realistic operations and to grasp modern management knowledge in keeping with the new management system.

This strategy is a program of action until the year 2000 for the Vietnamese people to defeat poverty and backwardness, and enrich themselves and their country. Each Vietnamese will see in this strategy that their interests and future are linked closely with the interests and future of their fatherland, will consider the strategy their own and resolve to implement it.

For the first time, our party and state have formulated the socioeconomic development strategy on the very occasion of great President Ho Chi Minh's birth centenary. Once again, all our party members and people assert their determination to implement Uncle Ho's last desire in his testament to build a peaceful, unified, independent, democratic, rich and powerful Vietnam, and to make worthy contributions to the world revolution.

Radio Reviews Contents of Draft Platform

BK1012025090 Hanoi Domestic Service in Vietnamese 1400 GMT 4 Dec 90

["Topical Talk" with station editor Vu Dinh Vinh]

[Summary] Dear comrades and friends: The draft platform on socialist construction for the transitional period in Vietnam comprises six chapters:

Chapter one entitled: "The Great Successes and Lessons of the Vietnamese Revolution" ascertains that the Communist Party of Vietnam [CPV] has assumed the mission of leading the Vietnamese revolution; that the successes of our revolution are closely associated with the party's leadership; and that in the course of socialist construction, our party has exerted much effort to study, seek, and determine common lines, and to point out correct objectives and guidelines for building socialism. Next, it points out that "our party has committed a mistake in strategic leadership and in determining specific lines for some important fields." For example, it took too much time to set forth the initial stage of the transitional period, hastily carried out socialist transformation, wanted to immediately wipe out the multi-sectorial economy, accelerated the building of heavy industry while necessary premises were not available, slowly renovated the economic management mechanism, and made many mistakes in reforming prices, wages, and money, and in implementing the ideological and organizational work.

At its sixth congress, the party criticized and admitted its mistakes and shortcomings and set forth lines and policies to renovate all aspects of the social life. "As a result, the socioeconomic situation has initially been stabilized for further advancement. This has affirmed that our path is correct."

From the reality of our revolution, the draft platform draws five important lessons as follows:

1. Upholding the banner of national independence and socialism is a thorough lesson for our revolutionary process. Our entire party, people, and armed forces will continue to hold aloft the banner of national independence and socialism.

2. The revolutionary cause is the cause of the people, for the people, and by the people. The strength of the party lies with its flesh-and-blood relations with the people. All of the party's activities must stem from the people's legitimate interests and aspirations.

3. Combine national strength with that of the era, and domestic strength with that of the international community in order to create an aggregate strength to successfully carry out all revolutionary tasks.

4. It is essential to protect party unity as we do the apples of our eyes. This is a great lesson for our party and people because it constitutes a very important condition for our revolution to succeed.

5. The party leadership is the decisive factor for all victories of the Vietnamese revolution. To ensure that our party is always worthy of being a vanguard revolutionary brigade, a leader, and a faithful servant of the people, it is imperative to overcome two serious shortcomings: mistakes in formulating policies and bureaucratic practices that distance the party from the people.

Chapter Two entitled: "Transition to Socialism in Our Country" deals with many important issues.

First, it points out that our country is making the transition to socialism at a time when the international situation has undergone major changes. The general situation of the current era is very complicated and fraught with differences between conflicts and cooperation and between detente and confrontation. However, the basic objective of our era is the shift from capitalism to socialism on a global scale. It stresses: "We are determined to unswervingly advance along the socialist path. This is the struggle objective of our party and people in the past, present, and future."

Next, it deals with the fundamental contradiction in the transitional period in our country and stresses the need to grasp the following basic principles in order to resolve this contradiction:

1. Build the socialist state—the state of the people, for the people, and by the people—which uses the worker-peasant-intellectual alliance as its foundation. This is to be done under party leadership. The state implements the people's democratic rights and dictatorially deals with the enemy.

2. The development of production forces and national industrialization are the key tasks aimed at gradually

building the material and technical bases of socialism and constantly raising social labor productivity and the people's living standards.

3. In keeping with the development of production forces, gradually establish socialist production relations from the lower to higher levels with diversified forms of ownership.

4. Carry out the socialist revolution in the ideological and cultural fields in such a way as to ensure a leading role for Marxism-Leninism.

5. Implement national unity as a domestic policy and carry out a foreign policy of peace and friendship with all nations.

6. Building socialism and defending the socialist fatherland are two strategic tasks of the Vietnamese revolution.

Chapter three deals with socioeconomic development. Part 1 of this chapter evolves around the need to develop an economy capable of bringing about prosperity for the people and strength for the nation.

It says: "To this end, we must develop a commodity economy, regarding it as the necessary path toward large-scale production and a question of law-bearing character governing the socialist economy. The commodity economy with a muti-sectorial structure is based on various forms of ownership of production means. The socialization of ownership relations must be based on the character and developmental stages of the production forces." We must achieve a smooth economic interflow throughout the country and expand the international division of labor and economic cooperation. Science and technology are the key factors determining the development of production forces.

Part Two touches on social policies. It says: "Service of man is the objective of social policies and socioeconomic development programs." "Social policies must respond to both material and cultural needs and must help improve the conditions of the laboring people and the citizenry as a whole in terms of work, food, housing, and travel arrangements."

Part Three deals with the building of a socialist culture oriented to the shaping of the new man and new lifestyle based on Marxism- Leninism; the values of Ho Chi Minh's thought, morality, and lifestyle; the fine national traditions; and the quintessence of human culture.

Part Four is about science and education, which are the two important factors for human resources development and national prosperity.

Chapter four deals with national defense, security, and foreign policy. It points out that "the objective of our national defense is to firmly defend the fatherland; the socialist regime; and national independence, sovereignty, and territorial integrity." It stresses: The transition to socialism in our country is a protracted and complicated process. Therefore, safeguarding national security is one of the most important tasks of our state and people. Because safeguarding national security is the undertaking of the people, we must rely on the people, constantly heighten their political vigilance, build a people's security network, closely combine the mass movement for the safeguarding of the fatherland's security, and ensure the aggregate strength of the whole political system with specialized forces and professional measures.

Regarding foreign relations, it points out that the objective of our foreign policy is to create international conditions favorable to our cause of national construction and national defense, and to contribute to the world cause of peace, national independence, democracy, and social progress.

Under the title "The Political System," Chapter Five defines that our country's political system comprises the party, the state, the Vietnam Fatherland Front [VFF], mass organizations, and social institutions structured and working in a mechanism to fully ensure the people's power under the party's leadership. The essence of the renewal and consolidation of our political system is the building and gradual perfection of socialist democracy.

Next, it defines the functions of and the relations between the party and the state, between the party and mass organizations, and between the party and social institutions. The CPV is at the same time the leading body and a constituent part of the political system and constantly submits itself to control by the people. The party effects its leadership through its platform, general lines, strategies, and major policies and by controlling and supervising their implementation. The party's method of leadership is by persuasion and example.

Being a body reflecting the will and rights of the people and administering the whole country and all aspects of social life, the state must be vested with full power by the people. Its organization and operations must be based on the principle of democratic centralism.

Chapter Six deals with the role of the CPV in socialist construction. It says that the party has the mission of leading our country's revolution toward socialism. The party has opted for Marxism-Leninism—the ideology of the working class—as its ideological basis; has inherited and built on the values of Ho Chi Minh's thought, morality, and lifestyle; and has adopted democratic centralism as its basic organizational principle.

Dear comrades and friends: You have just listened to the main points of the draft platform on socialist construction for the transitional period. Our entire army is now making every effort to fulfill the tasks for 1990 and to initiate the program of actions for 1991 and subsequent years. Nonetheless, we must thoroughly discuss and contribute our views to this draft platform and other documents of the seventh party congress.

Army Publication Editorial Reviews Platform

BK1012040390 Hanoi Domestic Service in Vietnamese 2330 GMT 2 Dec 90

["Text" of TAP CHI QUOC PHONG TOAN DAN December 1990 editorial: "Platform for The People's Plentiful Life, Freedom and Happiness, and for the Defense of the Fatherland"]

[Text] History is really ironic and the 20th century is truly an irony of history! When the century began, capitalism fell into a general crisis. The imperialist system on Lenin's territory collapsed and socialism was born to become gradually a world system to coexist with and struggle against the imperialist system.

By the end of the century, the victorious strategic offensive of socialism and national independence lasted for five or six decades on all continents and seemed to be short of breath. Socialism fell into the most serious crisis ever in the very territory of the October Revolution. Meanwhile, capitalism, pending its prolonged historical death throe, seemed to recover its vitality and shifted to modern capitalism to counterattack and attack socialism and national independence throughout the planet, expecting to wipe out socialism and restore imperialist order all over the world. Then, many major problems of the era which seemed to be solved long ago, have suddenly emerged again to corroborate that irony of history.

What is socialism? Is it an essential law of human society, and a correct choice of our Uncle Ho and party? Should we believe or not in this chosen path? What is capitalism? Is it near death? Or is it the final ideal solution for mankind as being claimed more loudly than ever before by shopworn allegations of the bourgeois?

There have been very scholastic answers to the question of what is socialism. Our people's answer is very simple. It is the plentiful life, freedom, and happiness for the absolute majority of the people and true independence for the nation. In our Uncle Ho's words, it is plenty of food and clothing and adequate education for everybody to live a happy life. So, is socialism only a choice of our Uncle Ho and party? No, it is the very correct choice of our people and nation after countless years of research in the darkness of slavery believed to have no way out.

Our people resolutely reject inequality caused by a few exploitative people in wealth distribution in the capitalist system even though it is modern capitalism. Our people are also determined not to agree with the egalitarian distribution when poverty prevails in the socialist model that is becoming now unfamiliar to us and is being renovated, reformed, and reorganized. So, the first problem raised is probably not belief. To believe or not to believe is not the question but it involves our revolutionary stand and whether we are determined or not to struggle for the beautiful goals and ideals of enriching the people, strengthening the country, liberating the working class and the laboring people, and enabling every people to live truly as human beings. That is genuine socialism in accordance with the Marxist-Leninist principles as General Secretary Nguyen Van Linh has several times pointed out.

Believe it or not, the objective law by itself can always open its way beyond the nice or mean subjective expectation of anyone and any social force. Modern capitalism has achieved some new developments as compared to old capitalism. Yet, it still remains capitalism with its intrinsic contradictions that have developed increasingly acute to make the most extensive and rapid preparations for a negation and to shift to modern socialism. This change must go through the class struggle, the hard and fierce, long and sinuous social struggle. Inevitably, it must go through this or that form which Marxism-Leninism calls proletarian dictatorship.

Proletarian dictatorship is nothing else than a special model state, the state of the people, by the people and for the people which is based on the worker-peasant-intellectual alliance under the leadership of the working class and its vanguard body that is the communist party. This new model state resolutely punishes all enemies, abolishes all forms of oppression and exploitation, eliminates all classes even the working class itself as a class, and advances the people to the position of masters so that they can build their own life of plenty and happiness. Such a special state cannot be molded after any prototype but it can be made into many fruitful and diverse forms and many different models to suit the specific historic conditions and circumstances and the characteristics and traditions of each country and each nation.

Due to the insidious imperialist attack and erroneous choices made by some communists, some of the socialist countries which adopted traditional socialism have been changed through peaceful evolution and, in some cases, have shifted to capitalism through force. However, life begins to show these changes are not easy at all. The negation of a negation will inevitably take place when the masses under capitalism find out their dream has been shattered and they are enlightened again. Here, traditional socialism is going through a sinuous path at variance with law—which is the labor pains of modern capitalism—to advance toward modern socialism.

It can be asserted that according to the essential law of history and through the correct renovation and restructuring process governed by the principles of traditional socialism in other countries, a path can be found out to step by step advance to modern socialism without having to go through the sad sinuous path of modern capitalism.

Obviously, the developed capitalist countries and the Third World countries will have different separate paths to advance toward socialism. There are many patterns of capitalist history and realities. Germany differs from France, France is not like Italy, Western Europe differs from North America, Northern Europe does not resemble Western Europe, Europe is different from Asia such as Japan and the newly industrialized countries are also different from one another, and capitalism that is being restored in some Eastern Europe socialist countries certainly has some other peculiarities.

It is obvious that objective law of mankind's history evolves and develops its effect through the self-conscious activities of human beings. The picture of the class struggle and social struggle of mankind is truly rich. Man has created his own history in a very intelligent manner but at times not very intelligent. As a result, in the course of human development, there have been many leaps and bounds forward and also quite a number of sinuous, though temporary, steps backward. This is due to the temporariness of historical time.

The question is to correctly realize the objective law and to consciously act accordingly in an intelligent manner without being subjectively voluntaristic nor spontaneously adopting liberal objectivism.

The advance toward socialism of our nation which is our people's path to secure a life of plenty, freedom, and happiness cannot elude that law. As a result, we must mobilize the intelligence of the entire nation and acquire all the intellectual quintessence accumulated thus far by mankind, including that of today's era and capitalism, in order to find out that path and build a platform on which to advance to socialism of Vietnam and in Vietnam.

The guided democratic activities within the party, in the society and in scientific research; an adequate system of accurate and oriented information to create scientific premises for a pattern of thinking; a general review of realities and a theoretical research constitute the necessary conditions for settling the major set tasks.

We must really respect and frankly debate differing views for constructive purposes, and resolutely oppose all plots to take advantage of democracy to attack our party leadership. The modest Vietnamese nation can be proud of the Communist Party of Vietnam, the intellectual quintessence of the Vietnamese nation in the new time, which skillfully led our people to win a great victory in national liberation. Our party will certainly successfully lead our nation in the new struggle for the people's prosperity and the country's power to build a life of plenty and happiness for the people and to protect national independence.

Of course, we should never be subjectively complacent. Our past mistakes and shortcomings have indicated that there is no reason at all for being subjectively complacent. That a military genius like Napoleon could be defeated on the economic front is a deterrent lesson for us. Our party, people, and nation should equip themselves with new knowledge and, at the same time, draw on and creatively apply old experiences in order to successfully build socialism in Vietnam and to firmly defend the socialist Vietnam Fatherland.

Our people are determined to defeat all enemy plots, smash all wrongful opportunistic themes and, at the same time, criticize and overcome all conservative, subjective, and voluntaristic trends in order to protect and develop Marxism-Leninism, the spiritual and ethical values and behavior of Ho Chi Minh; to accelerate the socialist renovation process on our beloved territory; and to contribute to the revolutionary cause of peace and development of the people of the world in this ironic juncture in history.

Kien Giang Disciplines 370 Party Members

BK0912043090 Hanoi Domestic Service in Vietnamese 1100 GMT 3 Dec 90

[Text] Kien Giang provincial party committee echelons recently conducted a criticism and self-criticism drive on mass mobilization work, supervision for countering negativism, and the party-building task.

Through this criticism drive, disciplinary action was taken against more than 370 party members who violated rules and regulations that caused serious losses to the economy, who misused the state budget, who were in heavy debt to the state and collectives, and who were irresponsible and degenerate.

Thanks to this drive, cities and districts in the province have collected hundreds of millions of dong in debts. Now about 60 percent of party members in the localities have cleared their debts. Meanwhile, party committees of Chau Thanh, Go Quao, and Giong Rieng Districts have also striven to find ways to help party members clear their debts.

NHAN DAN Editorial on Relations With Laos

BK1012021690 Hanoi Domestic Service in Vietnamese 2300 GMT 4 Dec 90

[Editorial from 4 December NHAN DAN entitled: "New Step in the Development of Vietnam-Lao Relations"]

[Text] The attendance at the celebrations marking the 15th National Day of Laos and the friendship visit to the Lao People's Democratic Republic [LPDR] by the high-level party-state delegation led by Comrade Vo Chi Cong, member of the party Political Bureau and chairman of the Council of State, at the invitation of the Lao party and government, concluded satisfactorily.

The visit marked a new step in the development of the special relationship between the two parties, governments, and peoples of Vietnam and Laos.

During their stay in our friend's land, Comrade Vo Chi Cong and his delegation were accorded a warm and brotherly reception by General Secretary Kaysone Phomvihan and other leading comrades of the party, government, and fraternal Lao people.

On this occasion, our government conferred the Ho Chi Minh Order on Comrade Kaysone Phomvihan, general secretary of the Lao People's Revolutionary Party [LPRP] and chairman of the LPDR Council of Ministers, for his great contribution to the consolidation and development of the special friendship, militant solidarity, and total cooperation between Vietnam and Laos.

At the same time, our government expressed sincere gratitude to the Lao party, government, and fraternal people for the special unity of the two parties and two peoples and for the invaluable support and assistance to the Vietnamese revolutionary undertaking.

Particularly on this occasion, in Vientiane, there was a joint meeting between the three high-level delegations of Laos, Vietnamese, and Cambodian parties and governments.

In an atmosphere of friendship, affection, and unbroken unity, the delegations informed one another of their own national situation and exchanged views on the relationship among the three countries and the international and local issues of mutual concern. They totally agreed on the issues discussed. The three delegations were enthusiastic about the great and important achievements of the renovation process in Laos and Vietnam as well as the rebirth and development in Cambodia. At the same time, they confirmed that they would do their best to consolidate and strengthen the friendship, unity, and total cooperation among Laos, Cambodia, and Vietnam for the benefit of the three countries for peace, stability, and cooperation in Southeast Asia.

At this high-level meeting, the LPDR and SRV highly evaluated the proper and good-willed policy as well as the efforts of the Cambodian Government to solve the Cambodian problem with a comprehensive, just, and reasonable political solution suitable to the practical situation in Cambodia on the basis of national reconciliation, respect for the independence, sovereignty, and territorial integrity of Cambodia; on the basis of respect for the right to self-determination of this country's people in accordance with the UN Charter in order to build a Cambodia having peace, independence, neutrality, nonaligned status, no outside interference, and no danger of genocide.

The success of the friendship visit of the high-level delegation of our party and government as well as the high-level meeting of the three countries Laos, Vietnam, and Cambodia, contribute to consolidating and strengthening the close relations and full cooperation among Laos, Cambodia, and Vietnam. This is an overpowering inspiration for the people in the three countries to move forward to score new achievements in the construction and defense of their beloved homeland.

Do Muoi Receives Uzbek Government Delegation

BK1012111590 Hanoi Domestic Service in Vietnamese 1430 GMT 4 Dec 90

[Text] At the invitation of the Vietnamese Government, a delgation of the Uzbek SSR [Soviet Socialist Republic] delegation led by Comrade (Simasinov), deputy head of the Ubez president's cabinet [position as heard] paid a friendship visit to Vietnam from 27 Nov-3 December 1990.

While in Vietnam, the delegation paid a tribute to President Ho Chi Minh mausoleum, visited his residence and office, and was cordially received by Council of Ministers Chairman Do Muoi.

The Uzbek government delegation held talks with the Vietnamese government delegation led by Council of Ministers Vice Chairman Tran Duc Luong. It exchanged its views and had working sessions with the Ministries of Light Industries, Heavy Industries, Agriculture and Food Industry, and Trade and with the State Planning Commission. The delegation also toured a number of industrial establishments in Hanoi, Haiphong, and Ho Chi Minh City.

The heads of the two government delegations signed a report on the results of the visit while relevant economic organs of the two sides signed agreements on Uzbek supply of 24,000 metric tons of cotton to Vietnam in 1990 in exchange for grain, foodstuffs, commodities, and other kinds of goods.

The delgation departed for home on 3 December 1990. This first ever visit to Vietnam of the Uzbek SSR government delegation contributed greatly to spurring the direct economic relations between Vietnam and Uzbekistan as well as to promoting and improving the outcome of the multifaceted cooperation between Vietnam and the Soviet Union in general.

Australia

Hostages Begin Arriving Home From Baghdad

BK0812023490 Hong Kong AFP in English 0227 GMT 8 Dec 90

[Text] Sydney, Dec 8 (AFP)—The first of seven Australian hostages whose release from Iraq was secured by private Australian envoys this week arrived home Saturday. Basil Agipas, one of seven who flew from Baghdad to Amman late Thursday, arrived at Melbourne airport early Saturday.

One of the envoys, Tom Uren, who arrived in Sydney about the same time, said the decision by Iraqi President Saddam Husayn to release all foreign hostages would be a step forward in bringing about a peaceful solution.

"I believe the peoples of the world should move in and have a say and should not allow governments to determine the question," said Mr. Uren, a former Australian Government minister.

A spokesman for the Foreign Affairs Department in Canberra said the remaining five Australian hostages who arrived in Amman on Friday had now arrived in Europe.

Noel Shillcock had arrived in Amsterdam and four Australian Wheat Board officials, Les Wills, John Howard, Bruce Watkins, and Frank Hansen were on their way to London.

The seventh hostage Alan Jones, who did not fly with the other hostages to Amman, was believed to be travelling out of Iraq by road, Mr. Smith said.

Iraq Grants 11 of 23 Hostages Exit Visas

BK0912073490 Melbourne Overseas Service in English 0500 GMT 9 Dec 90

[Text] Half of the 23 Australians still being held hostage in Iraq have been granted exit visas. The Foreign Affairs Department says 11 Australians were the first foreigners to gain visas after the Iraqi parliament approved the proposal from President Husayn that all hostages should be freed.

The department said the Australian Embassy in Baghdad has been urging the 11 to board an Iraqi airline flight scheduled to leave the Iraqi capital later today. A spokesman said the other 12 Australian hostages had not yet applied for exit visas.

Hawke on EC's 'Massive Hypocrisy' on GATT

BK1012073490 Hong Kong AFP in English 0702 GMT 10 Dec 90

[Text] Sydney, Dec 10 (AFP)—Australian Prime Minister Bob Hawke Monday accused the European Community (EC) Monday of "massive hypocrisy" over international trade. Mr. Hawke told the Foreign Correspondents' Association here that the blame for the collapse of talks on the General Agreement on Tariffs and Trade (GATT) in Brussels last week "lies directly with the European Community."

The final ministerial conference of the Uruguay Round of GATT failed to produce a compromise on farm subsidies between the EC and its critics—the United States and the Cairns Group of agricultural producers led by Australia.

This failure "to understand that it is not only pointless, but massively hypocritical, to insist upon market economics in the former command economies and the Third World if we do not heed exactly the same injunction in the international trading system." He insisted that the "massive hypocrisy" was that of the EC.

Answering questions after his speech, he said: "It sticks in my craw more than anything else to see representatives of the World Bank and other institutions pompously telling developing countries to be economically rational. When the test comes to them, they fail it massively," he said.

Foreign Affairs and Trade Minister Gareth Evans meanwhile said that Australia would support a push to re-start the GATT negotiations early next year.

Answering questions in parliament in Canberra, Mr. Evans described the successful conclusion to the Uruguay Round as the most important objective for Australian trade policy.

"Australia as a medium-sized trading power needs a functioning multilateral trading system to prevent our legitimate trading interests being subverted by those protectionist forces," he said. The EC deserved "international odium...for the breakdown so far of this round," Mr. Evans went on.

"The inability of the political leaders of the EC to see beyond the narrow interest of their own farming lobbies to the interest of the other sectors of their economies.-..should now be a stinging indictment."

Fiji

Prime Minister To Step Down by 1991 Elections

BK0812011690 Hong Kong AFP in English 0015 GMT 8 Dec 90

[Text] Suva, Dec 8 (AFP)—Ratu Sir Kamisese Mara, Fiji's prime minister for most of the era since independence in 1970, reaffirmed in an interview published here Saturday that he would step down before the November 1991 general elections. "I've had enough and I feel my age now," the 70-year-old premier told the FIJI TIMES newspaper.

The paramount Fijian chief did not speculate on his future, though government chiefs here think he will become the next president, replacing the ailing Ratu Sir Penaia Ganilau, whom he appointed.

"I've never said at any stage, after being defeated in the last election, that I'd stand again."

Ratu Mara headed this Pacific island from 1970 until his native Fijian-dominated national alliance party fell in the April, 1987 elections. But he was reinstalled 10 months later after the Army deposed the ethnic Indian-dominated party that had won the election. He said his main failure has been his inability to unite indigenous Fijians with ethnic Indians.

"I am a controversial leader. But we want somebody who will unite Indians and Fijians together. And I've proved I'm not (such a person). I think it would be to the benefit of the country if I get out."

Ratu Mara, who last week returned from Malaysia, believes Fiji's political stability lies in involving native Fijians in commerce, like the Malays are in their country. He said Fiji could emulate some Malaysian policies that guarantee a larger representation of the native population in commerce and government.

"Although we aspire to the same policies and objectives in Fiji, we (Fijians) did not have the numbers in parliament to implement similar race relations legislation."

Fiji's new July 25 Constitution allocates 37 seats for Fijians and 27 for Indians, compared to 22 each previously. It also allocates one for Polynesian Rotumans who had none before, and five for Chinese, Europeans and part-Europeans who had eight before.